

University of San Francisco

Fiscal Year 2014 Tuition, Fee, Room & Board Recommendations *Enrollment Projections, Tuition Pricing, and Financial Aid Recommendations*

Purpose of Report: The purpose of this report to the Board of Trustees is to provide the rationale for our tuition, fee, room and board, and financial aid recommendations based on the enrollment projections for the Fiscal Year 2014 (FY14) budget.

Our Pricing Strategy: Our pricing strategy of lower than historical tuition adjustments is responding to the impact of the continuing depressed economy. This changing economic context has provided us with an opportunity to adapt and strengthen the University in ways that are consistent with our Mission and long-term aspirations, as expressed in USF 2028. As a result, we are adapting our business model with both new efficiencies and more diversified revenue streams so that we may continue to offer a high-quality, high-touch Jesuit education.

Current Fiscal Year: The Fiscal Year 2013 (FY13) Board budget was based upon an enrollment projection of 10,167 Fall 2012 students generating 271,742 student credit hours (SCHs). That budget projects gross tuition of \$320,322K, tuition exceptions of \$3,048K, and financial aid of \$65,735K, resulting in net tuition of \$251,540K. Our revised projections assume 10,017 students generating 271,401 SCHs and a projected gross tuition revenue of \$324,435K, tuition exceptions of \$3,460K, and financial aid of \$66,070K for a projected net tuition of \$254,905K.

Recommendation for FY14: The recommendation of the President is to increase the primary student housing rate by 2.8% and the meal plan by 2.7%. The SCH-weighted average graduate recommended tuition increase is 3.5%. The attached rate table lists specific program recommended increases. Regarding traditional undergraduate tuition, the recommendation is to increase tuition by 3.5% for FY14.

Based on an enrollment projection of 10,147 Fall 2013 students generating 274,183 SCHs, and the tuition increase recommendations, we project gross tuition of \$332,722K, tuition exceptions of \$2,722K, and financial aid of \$69,876K for a net total tuition budget of \$260,123K.

Enrollment Projections

What follows is the summary of enrollment projections for FY13 to FY15 as of November 15, 2012. The Enrollment Projections Committee is chaired by the Vice Provost and Dean for Academic and Enrollment Services and includes representatives from each academic unit and select administrative units. The projections were discussed with and agreed upon by the members of the Provost's Council at their November meeting and have been approved by the Provost. These enrollment projections are preliminary and will be updated based upon Spring Census actuals as well as for any additional new programs. Updated enrollment projections are used in the creation of the future fiscal year operating budget to be reviewed by the Board of Trustees in March.

Enrollment Projections (as of November 15, 2012)

(HC = Head Count; SCH = Student Credit Hours)

	FY 2013 Budget		FY 2013 Fall Census		FY 2014 Budget		FY 2015 Budget	
	Fall HC	SCH	Fall HC	SCH	Fall HC	SCH	Fall HC	SCH
Undergraduate								
Arts & Sciences	3,537	147,116	3,499	150,230	3,562	152,229	3,633	154,387
Management	1,620	26,846	1,721	26,630	1,802	28,278	1,870	29,358
Management Degree Completion	320	6,794	309	6,352	254	5,950	284	4,898
Nursing	729	11,628	717	12,065	716	11,894	714	11,889
Specials	120		128		120		107	
Undergraduate Total	6,326	192,384	6,374	195,277	6,453	198,351	6,608	200,533
Graduate								
Arts & Sciences	725	11,143	712	11,073	746	11,719	722	11,513
Management	915	19,098	805	16,779	804	16,070	786	15,282
Nursing	495	10,336	479	10,957	554	12,509	570	12,906
Education	999	19,668	975	19,305	974	19,140	967	19,151
Law	708	19,112	672	18,010	616	16,393	573	15,224
Graduate Total	3,841	79,358	3,643	76,124	3,694	75,832	3,618	74,075
University Total	10,167	271,742	10,017	271,401	10,147	274,183	10,226	274,608

Undergraduate

Traditional Undergraduate Enrollment at SF Hilltop Campus

New student enrollment in Fall 2013 is projected to be somewhat higher than both this year's projected and actual enrollments (F13: 1,817 projected; F12: 1,720 projected versus 1,769 actual). Fall 2013 continuing student enrollment is also projected to be higher than Fall 2012 actual enrollment (4,173 actual versus 4,382 projected). Total Traditional Undergraduate Enrollment for Fall 2013 is projected to be 6,199 versus 5,943 enrolled students currently for Fall 2012. Including Degree Completion undergraduates, Total Undergraduate Enrollment for Fall 2013 is projected to be 6,453 versus 6,374 enrolled students currently for Fall 2012.

Degree Completion Management Undergraduate Enrollment for FY14 is projected to continue to decline somewhat for both new and continuing students due to continuation of revised enrollment strategies, curricular revisions and the very competitive recruiting environment for these students. The specific revised strategies are to enroll larger entering cohorts and to offer programs where more recent history has demonstrated there is demand. Implementation of these strategies began in the spring 2010 term. The curriculum has been revised to offer only one program (the BS in Management) with several concentrations, to reduce the number of units possible to be earned through the experiential credit process and to increase the number of units required to complete the program.

Graduate

Arts and Sciences Graduate Student Enrollment is projected to increase somewhat from the current year's actual. This is primarily due to the continued interest in both their new and continuing programs. The College is also near to completing a proposal to offer a new Masters program in Urban Affairs. Projections for this program will be added to the FY14 projections in February 2013, when we do the Spring Census enrollment projections review.

Management - Graduate Enrollment and SCHs in the MBA, MBAE, Risk Management and Investor Relations programs are projected to decrease from this year's actual due primarily to the elimination of some programs (MBA CAP, MBA Saturday, MS in Business Economics, Risk Management and Investor Relations), as well as basing projections on current actual enrollment and admission data. Aggregate SCHs for Master Public Administration, Master of Nonprofit Admin., MS Information Systems, MS Organization Development and MS Project Management for FY14 are projected to be essentially the same as this year's actual enrollment for both new and continuing students, with exception of a substantial increase in the online Master of Public Administration. The School is also near to completing a proposal to offer a new Masters program in Accounting. Projections for this program will be added to the FY14 projections in February 2013, when we do the Spring Census enrollment projections review.

Nursing Graduate Student Enrollment is projected to increase over this year's actual at the master's and doctoral levels due to the increase in interest in the online MSN program, continuing interest in the MPH and DNP programs, as well as the launching of two new programs in Fall 2013 - the MS in Behavioral Health and the PsyD (Doctor of Psychology) programs.

Education Graduate Student Enrollment Both student enrollment and SCHs are projected to be almost the same as this year's actual enrollment. This is due primarily to the continued slight decrease in enrollment in the MFT program as the State has mandated it must go from a 49 unit program to a 60 unit program and also a relatively small continuing decline in enrollment in the MAT program because of the very soft employment prospects for teachers. Some of these decreases will be offset by the enrollment in the new online MA in TESOL program introduced in Spring 2013.

Law Next year, Law new and continuing enrollment is projected to be somewhat lower than this year's actual due the continuing need to maintain an appropriate faculty to student ratio and recognition that the decline in interest in pursuing a law degree will continue due again primarily to the very soft employment prospects for lawyers.

Summary

Currently, the total student population for Fall 2013 is projected to be somewhat higher than this year's actual (10,147 projected versus 10,017 actual currently for Fall 2012). FY14 SCHs are projected to be approximately 2,441 higher than FY13's budget, and about 2,782 higher than FY13's likely actual SCHs. As noted above, at least two new master's program proposals are nearing completion and will be added to the FY14 projections in February 2013, when we do the Spring Census enrollment projections review.

Tuition & Fee Comparison

Every year, the Office of Planning and Budget prepares a Tuition & Fee Comparison Report that collects data from a broad range of programs. The graphs and text below are excerpts from this report.

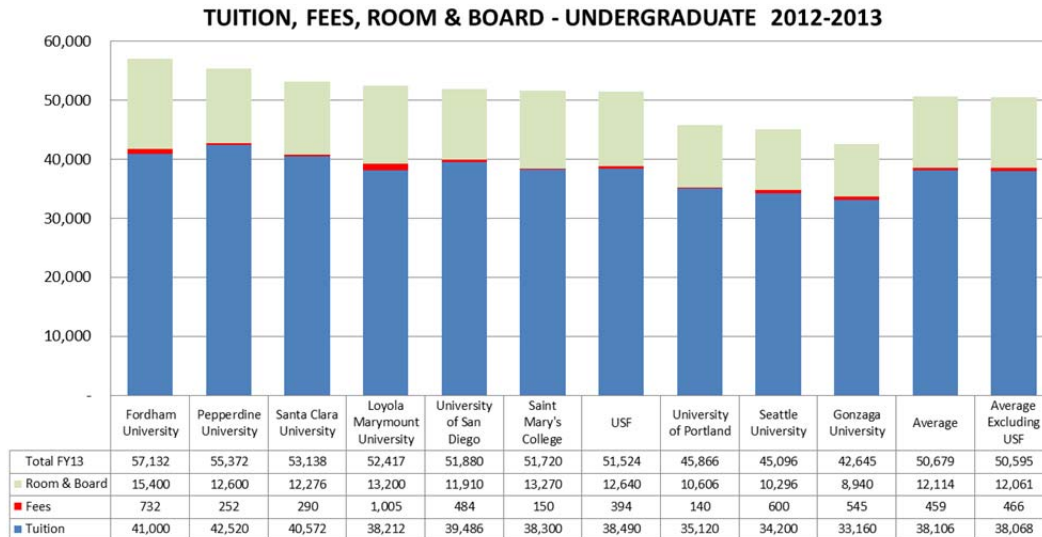
Undergraduate Tuition, Fees, and Room and Board

USF ranks seventh out of ten schools surveyed for total cost of undergraduate tuition, fees, and room and board. For FY13, the cost of tuition, fees, and room & board at USF increased 3.7% from \$49,674 to \$51,524. This is higher than the average (excluding USF) of \$50,595. Comparison institutions are listed below. Our three major competitors are Loyola Marymount University, Santa Clara University and University of San Diego.

WCC	School	Total FY 12	Tuition	Fees	Room & Board	Total FY 13	% Change from FY12 to FY13
	NY Fordham University	54,967	41,000	732	15,400	57,132	3.9%
X	CA Pepperdine University	52,596	42,520	252	12,600	55,372	5.3%
X	CA Santa Clara University	51,330	40,572	290	12,276	53,138	3.5%
X	CA Loyola Marymount University	50,925	38,212	1,005	13,200	52,417	2.9%
X	CA University of San Diego	50,334	39,486	484	11,910	51,880	3.1%
X	Bay Saint Mary's College	49,990	38,300	150	13,270	51,720	3.5%
X	Bay USF	49,674	38,490	394	12,640	51,524	3.7%
X	OR University of Portland	43,970	35,120	140	10,606	45,866	4.3%
	WA Seattle University	42,410	34,200	600	10,296	45,096	6.3%
X	WA Gonzaga University	40,805	33,160	545	8,940	42,645	4.5%
	Average	48,700	38,106	459	12,114	50,679	4.1%
	Average Excluding USF	48,603	38,068	466	12,061	50,595	4.1%

Notes:

(A) Schools are sorted by Total FY 2012/2013 column

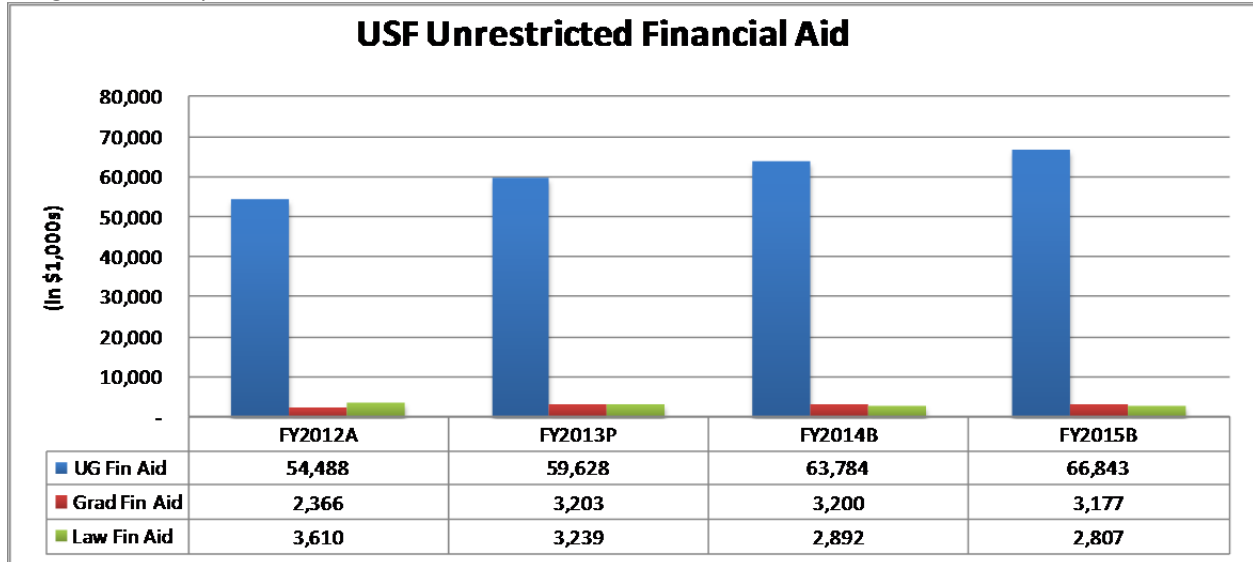


Undergraduate Package Pricing Recommendation

We recommend increasing the standard undergraduate package by 3.4% from \$51,524 to \$53,284 (includes tuition, fees, room and board for Fall and Spring). This approximates the total cost for a traditional undergraduate student.

Financial Aid

USF’s financial aid for FY12 through FY15 (Actual (A), Projected (P) and Future Budget (B)) funded from unrestricted sources (aka unfunded) is presented below. Budgeted financial aid scenarios are calculated by applying multiple undergraduate and graduate discount rates; Law’s financial aid budget is provided by the school. We will continue to review the tuition and financial aid budgets throughout the FY14 budget creation process.



Endowment

In FY11 (the latest available data), the average (excluding USF) endowment income (EI) per full time equivalent (FTE) of the universities included in the study was \$1,925. USF's EI/FTE is below average at \$950. As a result, USF continues to award less aid from endowment earnings.

WCC	School	2011 Total Endowment (TE) (000) ²	4% Endowment Income (EI) (000)	2011 total enrollment (FTE) ³	TE/FTE	EI/FTE
X	CA Pepperdine University	604,635	24,185	6,131	98,614	3,945
X	CA Santa Clara University	716,821	28,673	7,406	96,794	3,872
X	CA University of San Diego	326,821	13,073	7,304	44,743	1,790
X	CA Loyola Marymount	380,982	15,239	8,548	44,568	1,783
X	CA Saint Mary's College	127,891	5,116	3,408	37,523	1,501
	NY Fordham University	457,980	18,319	12,731	35,975	1,439
X	OR University of Portland	100,179	4,007	3,580	27,986	1,119
	WA Seattle University	178,758	7,150	6,506	27,474	1,099
X	CA USF	213,177	8,527	8,980	23,738	950
X	WA Gonzaga University	121,220	4,849	6,261	19,360	774
	Average	322,846	12,914	7,086	45,677	1,827
	Average excluding USF	335,032	13,401	6,875	48,115	1,925

Notes:

¹Schools are sorted by EI/FTE column

²2011 Nacubo Endowment Study; Seattle University 2011 Total Endowment is from Seattle University Financial Statements

³National Center for Education (<http://www.nces.ed.gov>);

FTE = Number of Full Time enrollment + (Number of Part Time enrollment x1/3)

Financial Aid Recommendation

Beginning in fall 2010 (FY11), we adopted a major structural change to our financial aid practice. With the help of our external consultants, Hardwick Day, we lowered the freshmen discount rate without sacrificing student quality or the percentage of underrepresented students. For this past fall 2012 (FY13) enrollment, Hardwick Day reports a freshman discount rate of 32.6% from 33.4% for fall 2011 (FY12) enrollment. We will continue to use the revised financial aid strategy and the use of a net tuition modeling tool that enables us to offer financial aid more strategically and with the goal of maximizing net tuition growth.

Degree Completion Pricing Recommendation

For FY14, we recommend an increase of 4.9% from \$920 to \$965 per unit for Degree Completion students.

Graduate Pricing Recommendation

For FY14, we recommend specific program rate increases as listed on page seven. The SCH-weighted average graduate increase is 3.5%. Graduate tuition rate increases range from a low of 0% to 4.5%.

Fees, Housing and Meal Plan Recommendation

The undergraduate Transportation Fee will increase from \$115 to \$130 per semester. The ASUSF Senate passed a referendum via the student body to increase the undergraduate Student Activity Fee from \$82 to \$97 per semester. The Associated Graduate Students of USF (AGSUSF) is negotiating with the School of Law to determine if their students would like to join. This would require Law students to pay a fee of \$25 per semester.

Regarding mandatory student health insurance requirements, regularly enrolled domestic graduate students registered for 6 units or more will be automatically enrolled in the USF sponsored health insurance plan. Graduate students who are able to provide proof that they have health coverage comparable (equal or better) to the University-sponsored plan under a United States-domiciled health insurance company may waive this requirement each academic year.

The Standard Double Room rate is planned to increase by 2.8% from \$4,245 to \$4,365 per semester and the Meal Plan is planned to increase by 2.7% from \$2,075 to \$2,130 per semester.

The School of Nursing and Health Professions will charge fees per course based on actual cost of tests being given, rather than an average fee across all semesters as done in the past. The School of Management's Hospitality programs will also be including course specific fees to cover related programming needs.

Tuition & Fee, Room & Board Rate Recommendation for FY14 & FY15 Preview

The following table lists the FY13 rates and fees, as well as, the recommended rates and fees for FY14 and previewed rates for FY15.

Undergraduate

Tuition	FY 2013	FY 2014		FY 2015 Preview	
* Arts, Science, Business & Nursing (12-18 units)	19,245	19,920	3.5%	20,615	3.5%
Arts, Science, Business & Nursing, per unit	1,365	1,415	3.7%	1,465	3.5%
Arts, Science, Business & Nursing, Summer, per unit	920	950	3.3%	985	3.7%
SOM Degree Completion Programs, per unit	920	965	4.9%	1,010	4.7%
A & S 2+2 Programs, per unit	920	965	4.9%	1,010	4.7%
A & S 2+2 Programs, (12-18 units)	12,940	13,605	5.1%	14,300	5.1%
Fees					
* ASUSF, per semester	82	97	18.3%	97	0.0%
* Transportation, per semester	115	130	13.0%	130	0.0%
Housing and Meal Plans					
* Double Room, per semester	4,245	4,365	2.8%	4,485	2.7%
* Meal Plan, per semester	2,075	2,130	2.7%	2,185	2.6%
* Typical Undergraduate Tuition, Fees, Room and Board, per semester	25,762	26,642	3.4%	27,512	3.3%

Graduate, Doctoral, and Law

Tuition	FY 2013	FY 2014		FY 2015 Preview	
Arts & Sciences					
Arts & Sciences Graduate, per unit	1,130	1,175	4.0%	1,220	3.8%
School of Management					
SOM MBA, per unit	1,235	1,255	1.6%	1,275	1.6%
SOM MSFA, per semester	13,110	13,110	0.0%	13,110	0.0%
SOM MSFA, additional units over 10	1,235	1,255	1.6%	1,275	1.6%
SOM AFA, per unit	1,130	1,175	4.0%	1,220	3.8%
SOM MBAE, per semester	22,375	22,375	0.0%	22,375	0.0%
SOM Graduate, per unit	1,035	1,080	4.3%	1,125	4.2%
School of Nursing					
Nursing Masters, per unit	1,130	1,175	4.0%	1,220	3.8%
Nursing, Doctor of Nursing Practice, per unit	1,130	1,175	4.0%	1,220	3.8%
Nursing, Exec DNP, per semester	13,000	13,390	3.0%	13,790	3.0%
School of Education					
Institute for Catholic Educational Leadership & EARCOS, per unit	520	540	3.8%	560	3.7%
Education Credential, per unit	860	885	2.9%	910	2.8%
Education Masters, per unit	1,035	1,080	4.3%	1,125	4.2%
Institute for Catholic Educational Leadership Doctoral, per unit	580	595	2.6%	610	2.6%
Education Doctoral, per unit	1,130	1,175	4.0%	1,220	3.8%
Law					
JD & LLM, Full Time, per semester	21,142	22,093	4.5%	23,087	4.5%
JD, Part Time, per unit	1,510	1,578	4.5%	1,649	4.5%
LLM, Part Time, per unit	1,690	1,766	4.5%	1,845	4.5%

Notes: The double room rate above is an exemplary room rate; room rates vary by size, building, amenities, and number of students sharing the space. Marked items (*) are part of the undergraduate standard package for traditional undergraduates.

Four-Year Summary of Tuition Rate, Unrestricted Financial Aid and Net Tuition

	FY2012 Actual	FY2013 Budget	FY2014 Budget	FY2015 Preview
Traditional Undergraduate				
Increase for Undergraduate Tuition	2.9%	3.9%	3.5%	3.5%
Increase for Residence Hall Rates	2.0%	3.0%	2.8%	2.8%
Increase for Meal Plan Rates	2.6%	3.5%	2.7%	2.6%
The Typical UG Student Annual Cost	\$ 49,674	\$ 51,524	\$ 53,284	\$ 55,024
Typical Undergraduate Cost Increase	2.7%	3.7%	3.4%	3.3%
Resulting UG Tuition Revenue	\$ 209,556	\$ 222,075	\$ 236,704	\$ 249,091
Total Unrestricted UG Financial Aid	\$ 54,488	\$ 59,274	\$ 63,784	\$ 66,843
Net Traditional UG Tuition	\$ 155,068	\$ 162,801	\$ 172,920	\$ 182,248
Graduate and Degree Completion (DC)				
Weighted Graduate Tuition Increase	3.0%	3.5%	3.5%	3.5%
Tuition Revenue from Proposed Rates	\$ 97,199	\$ 98,025	\$ 95,797	\$ 95,069
Total Grad & DC Unrestricted Financial Aid	\$ 5,990	\$ 6,461	\$ 6,093	\$ 5,984
Net Grad & DC Tuition	\$ 91,209	\$ 91,564	\$ 89,704	\$ 89,085
Other Tuition (IEP)	\$ 271	\$ 222	\$ 222	\$ 222
University				
Tuition Exceptions	\$ 2,860	\$ 3,048	\$ 2,722	\$ 2,565
Total Net Tuition	\$ 243,688	\$ 251,539	\$ 260,124	\$ 268,990

Notes : Figures in \$1,000s excepting tuition rates

FY13 Weighted Graduate Tuition Increase excludes MBA-related programs

*FY13 Unrestricted UG Financial Aid budget based on FY12 budgeted ratio of 26.41%;
increased to 26.66% for FY14 & FY15*

Additional Unrestricted UG Financial Aid is included for Student Housing (Room & Board)

*FY13, FY14, FY15 Unrestricted Graduate Financial Aid budget based upon multiple ratios
plus Yellow Ribbon Scholarships*