

University Budget Advisory Council (UBAC)

Date: October 17, 2024

Members Present:

Elisabeth Merkel, Michael Harrington, Jeffrey Paris, Shannon Burchard, Sarah Blackburn, David Ferguson, Aaron Hahn Tapper, Kurt Keilhacker, Angelica Martinez, Brian Young, Tim Redmond, Chibuike Nathan Nkemere, Ellen Ryder, Edgar Ryan Silva, Sonia Caamano, Will Vitagliano,

Members Absent & Excused:

Otgo Erhemjants

Opening and Introductions

Welcome & Overview: Elisabeth Merkel welcomed members and the council's newest member, Pearci Bastiany, as a student representative. Elisabeth conducted a roll call and introduced Aaron Hahn Tapper as the new faculty representative. The council then moved to review and approve the September 19, 2024 meeting minutes. Members were reminded that the next UBAC meeting has been moved to November 14, 2024, to accommodate scheduling conflicts. Elisabeth highlighted the importance of reviewing the questions submitted in advance and mentioned that these had been shared with the presenters before the meeting.

Tuition Rate Increase and Retention Discussion

Michael Harrington announced that the university's feedback on tuition rate increase would be helpful, and he made a revision to the meeting's agenda focusing on additional information regarding the tuition rate increase and its correlation with retention. He also mentioned a survey to be completed by the end of the day on Monday for Cabinet's next meeting. Ellen Ryder provided context about the importance of the University Budget Advisory Council's (UBAC's) thoughts and recommendations on the tuition increase, as the board votes on it in December. She also mentioned a plan to adjust financial aid packages based on next year's tuition and fees, aiming to make changes as soon as the trustees vote on the new schedule of fees. Michael then returned to the revised agenda to guide the rest of the meeting.

Undergraduate Tuition Fee Comparison and Inflation Reports

Michael then presented the undergraduate tuition fee comparison report and the inflation report compiled by the office of planning and budget, which forecasted an overall CPI of 2.3% and core CPI of 2.8% for fiscal year 2025. He also mentioned the higher education

price index, which typically runs higher than CPI, and the December index change history used for contractual increases. Council members were asked to complete the tuition increase survey by the end of Monday.

Tuition Rate History, Correlation, and Feedback

Michael presented a 20-year history of the University's undergraduate tuition rate, noting an average annual increase of 4.5% with a minimum of 1.9% and a maximum of 8.5%. He also discussed the correlation between tuition increases and retention rates, suggesting a moderate correlation over the past decade. Michael clarified that a moderate correlation is considered significant in the social sciences, as it indicates a complex environment where no single variable can be clearly linked to retention. He also mentioned the work of the University's retention group. Michael presented a workbook for calculating tuition rate increases, explaining that the university's current rate has been stable for 10 years. He also shared a survey form for gathering feedback on potential tuition increases, which has been used in the past. Brian Young and Kurt Keilhacker raised concerns about the correlation between tuition increases and student retention and yield, respectively. Shannon Burchard emphasized the need to consider the impact of faculty and CPI increases on the budget, given the university's structural imbalance. Michael acknowledged these points and mentioned that all contractual increases are reviewed through the budget assistance process.

Presentations

Presentation from Torry Brouillard-Bruce, Senior Director of Student Housing

Torry Brouillard-Bruce provided a comprehensive overview of current housing occupancy trends, their impact on auxiliary revenue, and strategies for addressing ongoing challenges. He outlined key figures on projected versus actual occupancy rates for the fiscal year, highlighting a 20% shortfall in first-year hall occupancy, which directly impacts auxiliary revenue. Torry discussed the reallocation of bed spaces in Loyola Village and the conversion of rooms to accommodate varying student needs, including single occupancy options and supporting students with special accommodations. He elaborated on additional revenue-generating strategies, such as increasing summer guest housing and converting vacant rooms into single occupancies to reduce the projected \$6 million shortfall. The conversation concluded with Torry emphasizing the importance of refining housing allocation models and exploring alternative housing arrangements for graduate students to meet evolving student needs and maximize occupancy.

Presentation from Jennifer Delahunty, Interim Vice Provost for Strategic Enrollment Management

Jennifer Delahunty delivered an insightful presentation on the current enrollment landscape, emphasizing demographic shifts, financial realities, and strategic enrollment initiatives. She discussed the broader U.S. and California demographic trends, noting the projected decline in high school graduates over the next decade. Jennifer presented data on declining college enrollment rates and highlighted the challenges posed by the growing

perception that higher education is losing value. In particular, she addressed the drop in applications and yield from high-need, high-achieving students due to last year's FAFSA issues and the increased competitiveness of California's public institutions. Jennifer also covered recent strategic efforts, such as a focused recruitment strategy to increase out-of-state enrollment and targeting East Coast markets. She presented insights on new programmatic initiatives to meet the demand for project-based and experiential learning programs. In conclusion, Jennifer reiterated the importance of clear and strategic communication to prospective students about USF's value proposition, especially as public institutions expand their reach.

Good of the Order

Elisabeth Merkel invited members to bring up any remaining questions or comments. Sarah Blackburn raised the topic of obtaining a summary report on marketing spending across departments. Michael Harrington acknowledged the request and indicated a willingness to collaborate on compiling this data. Michael also provided a brief update on the university's ongoing debt service reporting obligations, reassuring members that additional details would be covered in the November meeting.

Next Steps

The following action items were agreed upon during the meeting:

1. Michael Harrington will email the tuition increase survey link to members who left early and ensure the survey is summarized for leadership by Tuesday. He will also include Stacy Dahar's debt covenant update on the November UBAC meeting agenda and open the questions document for members to contribute.
2. Sarah Blackburn will follow up with Michael Harrington about obtaining a summary report on departmental marketing spending.