

Regular Meeting of the University Senate

September 23, 2004

IPJ, Room H

Attendance

Arts & Sciences: Dobkin, Chair; Branch; Jubran; Lewis; Meter; Nadkarni; Nelson; Otto; Pachence; Pierson; Sullivan; Walsh; Williams

Business: Pons; Schubert; Standifird

Education: Monroe; Quezada

Law: Lazerow; Ramsey

Nursing: Hunter

Ex-Officio: Drinan; Hardin; Herrinton

Student Representative: Franz; Maurer

Dobkin opened the meeting at 12:23 p.m.

1. Announcements

a) Committee charges and representation. Elections will take place after Dr. Lyons' address.

b) Senate survey. Dobkin distributed survey rankings of admissions criteria desired by faculty and administrators.

c) Enrollment management discussion. A round table discussion with Abe Stol, the Senate representative to the Enrollment Management Committee, follows the Senate meeting, at 2 p.m., in Camino 108.

2. Approval of minutes of Sept. 9, 2004

Motion by Lazerow, seconded by Hunter, to: APPROVE THE MINUTES OF SEPT. 9, 2004.

Vote: Approve – 20; 0 – Oppose; 0 – Abstain. The motion passed.

3. President's annual address to the Senate

Dobkin welcomed Dr. Mary Lyons and explained that Dr. Lyons and Mr. Paul Bissonnette will address issues of enrollment management and the budget.

Lyons explained that Bissonnette will summarize initial results of an enrollment study conducted by the Noel-Levitz consulting firm and discuss the study's significance for USD's position in the marketplace for students.

Lyons gave an update on the strategic planning process. Strategic directions and the Vision and Mission Statement were approved by the Board on April 30. Operational plans for the strategic directions will start with Cel Johnson developing web site matrixes. The five strategic directions are intentionally general to accommodate individual units' specific plans. Planning processes will be generated this academic year from discussions with the Senate and the units. The goal is to develop a working plan that will be endorsed by the Board at its October, 2005, meeting.

The trustees' meeting this October will include panels on the relationship between enrollment and the general operating budget. Board committees have been restructured. The Finance Committee now includes sub-committees: Facilities, Audit, and Investments. The Strategic Directions Committee and the Mission and Ministry Committee have been combined into the Mission and Vision Committee. The University Relations Committee has been reconstituted. Lyons distributed the Enrollment Management Committee charge and turned discussion over to Bissonnette.

Bissonnette noted that a gap developed in Fall, 2002, between the 20% tuition discount rate targeted for USD-provided financial aid and the actual percentage of the operating budget going

to financial aid. This increase in tuition discount had major consequences for the budget. Aggregated over four years, the freshman class discount rate increased to 57%, which represented an \$8 million deficit. Finance and Administration took control of admissions and financial aid in Spring, 2003, hiring the consulting firm Noel-Levitz to conduct data analysis. A first step in bringing expenses back into line with revenues was to compose entering classes for 2003 and 2004 within the 20% tuition discount rate. The 2003-2004 budget closed with a \$300,000 surplus, and the audited statement for the current year shows USD \$4 million ahead.

The Board decided to protect the financial aid agreements with existing students for three years, and, recognizing that USD's academic reputation has drawing power, the trustees agreed to disperse \$2 million less in financial aid for this year's incoming freshmen class. We now have comparative data about institutions to which our students apply and make deposits.

Bissonnette related comparative, unofficial statistics on the 2003 and 2004 freshmen classes. The class size increased by 114 students, partly because of the new engineering program and partly because of the Board-approved "bubble" of 100 full-pay students to help eliminate the deficit caused by the sharp rise in the tuition discount rate. The average GPA decreased from 3.8 to 3.66, although the average SAT score remained about the same (1167 in 2003; 1165 in 2004). The percentage of female students decreased from 68% to about 60%, but the percentages of Catholic students and California-resident students remained unchanged. The percentage of non-white students decreased slightly, from about 32% to 30%.

Bissonnette explained how Admissions groups students according to GPA and SAT. The top group consists of students with at least a 4.1 GPA and a 1320 SAT score; such students are targeted with a higher tuition discount rate. Students in the lowest category average a 3.2 GPA and a 1080 SAT score and receive a very low discount rate. This strategy has created a bipolar situation with a smaller proportion of students who are admitted falling into a middle grouping defined by an average GPA of 3.6 and SAT score of 1200.

The 2005 entering class will be back to 1,100 students, and the same GPA/SAT score grouping strategy will be used to select this class. The tuition discount rate will be lower for the lower groupings, allowing USD to target students in the top-end grouping with a 48% discount rate. This strategy, however, may limit USD's ability to attract Catholic students, males, and an ethnically diverse entering class.

Another related issue is USD's attempt to extend and broaden its reputation. Developing a national reputation over night isn't possible. USD is competing against prestigious institutions that provide smaller discount rates but have large endowments to attract high-performing students. USD has earmarked money from the capital campaign and tuition to go into the endowment to reach a \$500 million endowment in 10 years.

Lewis asked why Admissions doesn't target full-paying students who are academically very strong. Bissonnette said that group has been targeted, but the effort has produced white students with very little need. The high-academic, full-pay students must be accepted early or we will lose them. Lyons has asked Admissions for a proposal to attract diverse, full-pay students. In the last few years USD has attracted a higher caliber of student, as evidenced by cross-applications with UC schools and some East Coast schools. Students from affluent families have more options, so the number of them we yield will likely decrease. Schools put a lot of money from endowment into merit aid for affluent students. It is a trade-off the Board needs to understand.

Branch asked how the bipolar characteristic of the class affects retention. Herrinton said he and Cel Johnson studied the relationship between high school GPA and USD graduation rates within six years of admission. Top students had about a 75% chance to graduate; the bottom group's rate was 60%. Bissonnette said the Board will consider raising the base admission GPA from 3.2 to

3.4. Another issue is admitting very good students with financial need who list USD among their top choices. Across the country institutions are moving money to attract the best students and increase student diversity, which takes dollars from need-based students.

Drinan commented that when the endowment reaches \$500 million, half of which will support financial aid, it will generate annually about \$10 million; however, tuition will have doubled over the same 10-year period. USD's discount rate of 20% falls far short of the 30% to 35% discount rate at good liberal arts colleges, many of which are not well endowed. This suggests that USD historically has been able to recruit competitively without giving large discount rates to students willing to pay. If USD gets back to a 20% discount rate and is somewhat successful, the tradeoffs will be difficult. Bissonnette recommended moving the discount rate up above 20%, demonstrate to the Board the trade-offs involved in doing so, and move cautiously up the discount rate. Drinan asked whether the Board will revisit the 20% discount rate because, if so, it will have an impact on other areas, such as new personnel and faculty salaries. Bissonnette said that we must balance the discount rate against other needs. If an extra \$2 million is moved into financial aid for the 2005 freshmen class to achieve a discount rate of 25%, then we would be better able to manage the class and enroll more high-end and diverse students, but we would be taking \$2 million out of the operating budget. If we do increase the discount rate, we need to proceed carefully; USD would go bankrupt, for example, if it suddenly increased the tuition discount from 20% to 54%.

Herrinton commented that the discount rate is USD money – it excludes federal, state, and other outside scholarship money. He asked whether it will be within the charge of the Enrollment Management Committee to look at the components of the admissions matrix that goes into generating the academic index. Bissonnette responded affirmatively.

Lyons thanked the faculty for taking on the burden of the bubble of extra students. Through the leadership of Bissonnette, Drinan, Herrinton, and the Office of Budget and Treasury, she said that USD has been able to manage its way out of the deficit more quickly than many had expected.

4. University Senate 2004-2005 standing committee charges and representation

Motion by Sullivan, seconded by Pachence, to: APPROVE THE STANDING COMMITTEE CHARGES AND REPRESENTATION.

Vote: 18 – Approve; 0 – Oppose; 0 – Abstain. The motion passed.

5. Faculty representatives to Trustees committees

The following Senators were nominated and elected to Committees of the Board of Trustees:

Academic Affairs: Bert Lazerow (Law)

Athletics: Jim Smith (Business)

University Relations: Beth Dobkin (A&S)

Finance: Curtis Loer (A&S)

Facilities (sub-committee of Finance): Curtis Loer (A&S)

Mission & Vision: Virginia Lewis (A&S)

Student Affairs: David Sullivan (A&S)

The meeting adjourned at 1:50 p.m.

Submitted by,

David Sullivan
Secretary

Peggy Agerton
Recording Secretary