**BUDGET ADVISORY COMMITTEE MEETING MINUTES**

April 11, 2012

Members Present: Samantha Church, John Kerr, Jim Hall, Maureen Bergan, Rhonda Shirazi, George Sims, Joe Deighton, John Spence, Tyler May, Stephanie Girard, Mike Ferry, Sergio Castello, Gentry Holbert and Deana Machenberg (recorder).

Several members agreed to track down the following information for each institution and report at this meeting:

1. How much did the institution reduce its tuition?  And, how? (Or, what is their strategy?)
2. Why?  What was the reasoning behind the decision?
3. What have been the results?

Cabrini College (Maureen Bergan)

* Catholic college near Philadelphia, PA.
* Vice President of Enrollment Management advised they reduced tuition in order to keep their current population returning and not to increase their incoming class size.
* Since reducing their tuition, they have seen retention rise by 8 points. The bonus has been an increase in admissions.
* Prior to their reduction the freshman class averaged 330 students. Since the reduction it has increased to 350, and that is their goal for fall 2012. They don’t want larger freshman classes and have come to realize that admitting students they consider the best fit for the institution they retain better.
* Catholic student population and those who disclose their religious affiliation is 66-68%.
* They are financially stable and were able to offer the reduction, hold merit aid at the same level and offer this reduction to 900 students. The announcement of the reduction coincided with the placement of a net price calculator online.
* The plan took 6.5 months to develop and he recommends hiring a consultant.
* 12.5% reduction in tuition.

University of Charleston – West VA. (Stephanie Girard)

* Roughly the same size as SHC with 1100 undergraduates.
* Reduced tuition from $25,000 to $19,500 (22%). Trustees felt they needed a number under $20,000.
* Made the decision to reduce tuition after only 1 year of decreasing enrollment. In 2011-2012, they decreased by 70 students. New prices will go into effect in 2012-2013.
* Their deposits are up 40% and their applications are up in the primary market, but their total applications have only slightly increased over the prior year.
* They reduced financial aid for new students but kept tuition at $25,000 for continuing students but guaranteed them $6,000 in financial aid.
* Part of the Independent College Enterprise Consortium. They share their administrative computing with 9 other colleges.
* Recently obtained a grant from Tegal Corporation (?) to share faculty among 5 other colleges and another grant from the Lumina Foundation.

Dusquesne University (Michael Ferry)

* Reduced tuition only for the School of Education by 50% from approximately $28,000 to $14,000 due to enrollment dropping from 90 students to 60 in 1 year. Their total enrollment for the year dropped 5%.
* Their discount rate has historically been 41% for all students, but the School of Education discount rate is not combinable with any other discounts.
* Reduced rate was announced in summer of 2011 for the fall 2012. There are no numbers available.

Seton Hall University (Sergio Castello)

* Reduced tuition by 66%, or $21,000, in order to “provide deserving students with a private education at a public school price”. In direct competition with Rutgers University.
* New tuition price is $10,100 plus $12,500 for room/board and fees. Only applicable to freshman with a 3.0 GPA. They must maintain this average throughout their career at the school.
* Targeting the top 10% of high school students with an SAT score of 1200 or ACT score of 27 who must apply by December 15th.
* Not reducing the financial aid budget.
* Reduced rate will be in effect for 2012-2013, so they do not have any numbers.

Lincoln College (Samantha Church)

* Spoke with the Vice President of Enrollment for their 2 campuses (4-year college and junior college) who advised they reduced tuition by 24%. They looked at their average net revenue per student and then their discount rate of 42%.
* The reduced tuition will go into effect this fall in conjunction with the Lincoln Promise. They will hold tuition constant at the reduced rate as long as the student is in good standing and has consecutive enrollment.
* Reduced financial aid by 24%.
* Deposits are up considerably over last year and the number of cancelled deposits is almost zero.
* If he could change one thing about their marketing plan, he advised he would have done a full blown campaign rather than just to their recruiting institutions.

Sewanee - The University of the South (Gentry Holbert)

* 1400 students. Competing with University of Georgia.
* Reduced tuition 10% from $46,000.
* Two years of results: The first year, their discount rate went down 5% and they had 40 to 50 more students. For marketing purposes in the second year, they announced they were going to hold the discount rate at 10% for the fall and had a 95% retention rate that year. Also said their US News & World Report profile went up because they were becoming more selective. The second year they had approximately 40 more students and are having to build a new dorm. They will lock in the discounted rate for 4 years.
* The financial aid package for the study abroad students went down as the tuition went down.

All committee members agreed to proceed with developing a recommendation for re-pricing. The article “Strategic Pricing & Discounting” was suggested as an outline of questions the committee will use as a framework for research.

Rhonda to obtain reports from admissions for the past several years before the next meeting.

Next steps:

 Research phase – June

 Review/analysis – during June

 Recommendation – July

* Three scenarios

Next meeting dates:

April 25

June 6

June 20

July 11

July 25

August 8

August 22