Benefits and Finance Meeting
December 18, 2015

Attendance: Mark Hampton, Andrea Lange, Bari Lynne Kersey, Carolyn Burton, Eugene Hamilton, Kate Laking, Ken Schweitzer, Kyoung Mook Lim, Laura Johnson, Mark Scott, Toya Felton

The minutes from the October 23rd meeting were approved as written.

The committee was provided a Multi-Year Financial Planning handout dated December 2015. Mark stated much has changed since the Board last approved a multiyear financial and capital plan. These changes include the following:

- Philanthropic operating support: shifts from “jumpstart” to support the need-based financial aid, which will be partially budget-relieving for strategic priorities. Additional philanthropic support for strategic priorities, would accelerate the implementation of the balance of the strategic plan.
- Philanthropic support of capital projects: if new capital projects are funded from philanthropic sources depreciation and O&M must be included in the claim on operating surpluses along with strategic priorities. Campaign support for either the carrying costs of new facilities or strategic priorities would help.
- Strategic and capital goals: the new model does not assume any change in strategic or capital goals, but does delay and extend the timeframe for implementation of the strategic plan.

December 2015 Assumptions includes:

- Retention – first year retention improves from 83% to 85% and continues to improve.
- Need – need among students increases, is funded through George’s Brigade from philanthropic sources.
- Tuition and fees – tuition frozen for the coming year, increase with the consumer price index (CPI) in subsequent years. Housing and dining charges are indexed to the CPI.
- Overall enrollment – enrollment model is more accurate in that it reflects different class sizes and retention rates between sophomore, junior, and senior years.

Laura explained the base assumes full enrollment growth with first year retention rates ranging from 85% in 2017 to 88% in 2021. First year discount rates for students excluding George’s Brigade is held flat at 48%, and the blended discount rate including George’s Brigade ranges from 50% to 51%. The George’s Brigade initiative is active and fully funded in 2017. Tuition is flat in 2017 and then increases by the Consumer Price Index (CPI) year over year. Room and board is pegged year over year to the CPI. Annual giving is assumed at $1.5M per year and the endowment is held flat. The operating uses are incrementally increased by the CPI. In 2018, consideration is taken into account that for every increase in student enrollment of 13 (for the prior year) faculty salaries increase by $127,000. Energy is held flat year over year. FY21 totals approximately $6M.
Laura described the best case scenario. Best case assumes robust enrollment growth with first year retention rates ranging from 87% in 2017 to 90 in 2021. First year discount rates for students excluding George’s Brigade is held flat at 46% and the blended discount rate including George’s Brigade ranges from 48% to 49%. The George’s Brigade initiative is active and fully funded in 2017. Tuition is flat in 2017 and then increases by the CPI year over year. Room and board is pegged year over year to the CPI. Annual giving is assumed at $1.5M per year. In 2018, consideration is taken into account that for every increase in student enrollment of 13 for the prior year, we increase faculty salaries by $127,000. In 2017 a 6% decrease in energy costs year over year due to efficiency projects. FY21 totals $8M surplus.

Laura provided the worst case scenario. The worst case assumes slow enrollment growth with first year retention rates flat at 85%. First year discount rates for students excluding George’s Brigade is held flat at 50%, and the blended discount rate including George’s Brigade ranges from 52% to 50%. The George’s Brigade initiative is active but under-funded. Tuition, room and board are flat in 2017 and then increases by the CPI year over year. Annual giving is assumed at $1.5M per year. In 2018, consideration is take into account that for every increase in student enrollment of 13 for the prior year, we increase salaries by $127,000. Energy increases by 2% year over year with no efficiencies recognized. FY21 totals ($4M).

Mark stated that the Jacob Marberger incident had an impact on campus visits. A few students withdrew their application, and a few international students transferred due to the feeling of being isolated. Mark stated that campus visits have been rescheduled and deadlines were extended to students. Mark cautioned that if enrollment numbers are not being met, we must make adjustments in other areas.

Carolyn updated the committee on the continuing exploration of shifting open enrollment for employee healthcare benefits currently at the end of the fiscal year to calendar year. Discussions will continue in early January and it is very likely that A Request for Proposal will be sent out. Our current contract is with United Health Care which will expire on June 30, 2016.

Carolyn reported that Carrot Top Child Care and Learning Center will be closing at the end of the month. Carolyn stated that child care solutions for most families have been resolved. Future discussions will be on-going regarding child care.

There was no further business to discuss, the meeting adjourned at 11:56.