

Senate Committee on Finance and Planning (SCFP)

December 13, 2016

Minutes of the Meeting

These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represents the views of, nor are they binding on, the senate, the administration, or the Board of Regents.

[**In these minutes:** Living Expenses for Students; Liberal Education Course Designation Status; Mission Consequences of Transfer Students; Enrollment Management from a Tuition Generation Perspective]

PRESENT: Dan Feeney (chair), Catherine Fitch, Daniel Lockgren, Michael Berthelsen, Lincoln Kallsen, Jill Merriam, Paul Olin, Robert Goldstein, Jennifer Gunn, Fred Morrison, Sandra Potthoff, Carl Rosen, Erik van Kuijk, Michael Korth

REGRETS: Tracy Peters, Karen Seashore, Danny Bernick, Mark Kanake

ABSENT: David Fisher, Laura Kalambokidis, Julie Tonneson, Michael Volna, Karen Ho, Aravind Bodupalli, Varun Sood

GUESTS: Bob McMaster, vice provost and dean of undergraduate education, Office of Undergraduate Education; Linc Kallsen, director of institutional analysis, University Finance

OTHERS: Brian Burnett, senior vice president for finance and operations, Office of Budget and Finance; Ken Leopold, professor, Department of Chemistry; John Burczek Dreier, tuition and financial aid analyst, Office of Undergraduate Education

Chair Dan Feeney welcomed the committee and members introduced themselves.

1. Living expenses for students – Feeney introduced Bob McMaster, vice provost and dean of undergraduate education, Office of the Executive Vice President and Provost, to discuss living expenses for students. McMaster provided a general overview of [his presentations](#) for the day and provided a handout, [Annual Cost of Attendance History](#). McMaster began by reviewing the *Annual Cost of Attendance History* document, noting that cost is lower for Minnesota residents living with their parents (\$20,542) than it is for non-residents living on campus (\$37,646, which includes an estimated \$1,500 for three trips home for the student during the year). He noted that estimated cost of attendance minus gift aid equals the average net price for full-time, first-time degree-seeking undergraduates; in 2013, the University was very competitive with other Minnesota public and private universities when looking at resident students awarded state, federal, or institutional grant aid in the lowest income levels.

Mike Berthelsen, interim vice president, University Services, then reviewed room and board costs for students. He said that the University is currently at the bottom of the Big 10 in the area of room and board costs. Currently, the University is planning for room costs and standard

operating costs, and any increase will likely stay under 3%. Since FY10, annual auxiliary related cost growth has been between 1.7%-3%.

Feeney asked Berthelsen if the creation of new on campus housing would result in cost savings for students, since there are currently high-cost luxury housing complexes being built just outside of the Twin Cities campus which create issues for sophomores, juniors, and seniors. Berthelsen responded that the Board of Regents set student enrollment targets, as well as targets for University-owned or managed housing: 90% of freshman, 25% of sophomores, 10% of transfer students should be able to secure on-campus housing. There are some positives of private housing, he noted, since it does not require the University to use its debt capacity to build more housing. Speed has currently outstripped demand for off-campus housing, and this may help the market to settle, as there are currently market competition issues in the Marcy Holmes and Como neighborhoods.

Fred Morrison asked how the goal for on-campus student housing was set by the Board of Regents, and whether or not discontinuing on-campus housing had been discussed. McMaster replied that there is a high relation between on-campus student housing and student success measures, including the student experience, and that on-campus housing is critical to student success. For example, he said, Ohio State recently invested \$400 million into residence halls; their student success metrics now continue to go up.

Sandra Potthoff asked if there was collaboration with undergraduate programs and their summer offerings, since if students attend school in summer, it could ease lease burdens and shorten their program length. McMaster replied that so far, there has been little appetite from faculty and students in these programs, typically due to complications with summer financial aid; when President Kaler began his tenure, OUE created a report on this issue. Creating online e-courses is a possible avenue to help with the program length issue, he added. Linc Kallsen noted that typically summer courses are upper-level offerings, and that while the University's largest enrollment courses are offered in the summer, they typically do not fill.

2. Liberal Education Course Designation Status - McMaster then reviewed [liberal education requirements and enrollment history](#). Four to five themes are required for all undergraduate students, and all of the diversified core courses are required, said McMaster. The total enrollment in liberal education courses for 2015-2016 was 144,728, with total courses offered at 290,706. The College of Science and Engineering (CSE), the College of Liberal Arts (CLA), and the College of Biological Sciences (CBS) are all very attentive to liberal education offerings, he said, though there is actually an excess of capacity of these courses that has been messaged to colleges. When there are too many offerings (for example, now in "historical perspectives"), courses merely take enrollment from other liberal education courses, and don't bring in new students. There is still need in "technology and society" offerings, however.

Feeney asked about enrollment limits, and the effect on graduation rates and credit hour costs. McMaster replied that one major limit on enrollment is the space available in chemistry labs, since more majors require chemistry. The CLA majors requiring chemistry are growing, for those students not admitted to CSE, which puts a strain on available resources. Other limits on

enrollment are major-specific, he said.

Catherine Fitch asked if it was a problem to offer more liberal education courses than needed. McMaster replied that this could be argued both ways, though the issue is that colleges expect increased enrollment when adding the liberal education designation. Carl Rosen noted that in his college, enrollment increased through adding online liberal education course options. McMaster responded that this is not true in all colleges.

McMaster noted that there is a newly-formed pre-planning group appointed by the Provost to begin a campus-wide discussion around the future of liberal education. This will have impact on enrollment, be tied to the Grand Challenges courses, and will seek to better harmonize offerings with the Minnesota Transfer Curriculum. Ken Leopold added that the planning group would work with stakeholders and get input from across the University.

Feeney asked if additional costs for liberal education courses were additional costs to students, or to colleges. McMaster replied that the additional costs were to colleges. Analysis by the Office of Undergraduate Education (OUE) indicates that liberal education courses do not cost students more time or money, since there are many liberal education options that also meet their major requirements. He noted that he would like to reduce the number and complexity of liberal education requirements.

Gunn asked about the transfer curriculum, and if certain colleges were disadvantaged or penalized when students came in with liberal education requirements already fulfilled. She added that graduate programs are affected by undergraduate enrollments due to Teaching Assistant (TA) appointments. McMaster replied that CLA seems to be affected most highly by this, but it is a complex issue. Gunn asked what the attitude of colleges was to their students fulfilling their liberal education requirements outside of the college. McMaster responded that some colleges are open to this; others, less so.

3. Mission consequences of transfer students - McMaster noted that currently, the University is on the high side of the Big 10 for transfer student enrollments, with 35% of students coming to the University with transfer credits. There is significant variation from year to year, he said, and noted that in 2009, a large number of transfer students were admitted for fiscal reasons. Targets for transfer student enrollment are set by central administration, and decided upon based on historical patterns, capacity, advising, and metrics. Daniel Lockgren asked what the effect of admitting more transfer students in 2009 was on metrics. McMaster replied that they did see a decrease in the graduation rate, and decreased retention rates.

Feeney asked if transfer students were more expensive, due to having their liberal education courses completed, and enrolling in primarily upper-division courses. McMaster responded that the students do cost more, but this is hard-wired into the budget. It is a Board of Regents priority to admit transfer students for financial and academic reasons.

McMaster noted that the ethnic diversity seen in transfer student admissions mirrors that of freshman admissions, and the University of Minnesota, Twin Cities, is mindful of the diversity in

the Minnesota high school graduating class, which is currently at 22-23%.

The Board of Regents has set a three year graduate rate for transfer students, and the University is 65% to goal in this area. Transfer students generate 35% of total tuition revenue. In the last few years, he added, the National Clearinghouse has tracked transfer student data for those coming to and going from the University. Linc Kallsen added that the National Clearinghouse data will help OUE do a deeper dive into transfer student issues and metrics.

4. Enrollment management - McMaster noted that goals for undergraduate student enrollment management from 2016-2020 include:

- Recognizing the distinctive enrollment strategies and goals of each University campus
- Attracting the best and brightest students from the State of Minnesota
- Maintaining financial access and affordability
- Maintaining diversity (broadly defined to include ethnic, racial, geographical, socioeconomic, and gender diversity)
- Maintaining strong need-based and merit-based financial aid programs
- Keeping resident tuition and fee rates as low as possible and setting competitive non-resident tuition rates
- Ensuring a high quality student experience and timely graduation rate.

It is important to have balance between tuition, financial aid, and enrollment management, he noted, because a change in one of these areas can affect the other two. There are 30,500 undergraduate students enrolled this year, which is the largest since 1970. With large enrollments, he said, there are difficulties for students securing on-campus housing, which creates a retention risk. There will be a gradual increase to approximately 32,000-33,000 students with a focus on STEM disciplines, health, and the environment.

Admissions has a goal that 65% of the entering freshman class are Minnesota residents, as well as approximately 68% of transfer students. This is due to several factors, McMaster noted, including the high-quality K-12 Minnesota educational system, which makes a big difference in admissions, and the commitment the University has made to provide an affordable and accessible education to Minnesota residents. The University seeks to admit students who have a strong probability of being retained and graduating within four years. The Office of Admissions provides a holistic review of applicants using primary and secondary characteristics, and appropriate selectivity. The Board of Regents has set a target to maintain an average ACT score equal or greater than 28, for example.

In an effort to provide both a high-quality education and ensure a positive student experience, enrollments are adjusted to account for the capacity of resources, and continued investments are made, McMaster noted. There are several target goals:

- Housing - 90% of freshman, 20-25% of sophomores, and 10% of fall transfer students can secure on-campus housing;
- Advising - \$1.8 million invested to improve advisor/student ratios to 250:1;
- Classrooms - \$3 million invested for ten new Active Learning Classrooms;
- Chemistry - Investment in additional chemistry labs and instructional staff;

- Academic support - \$500,000 invested in additional tutors and cross-college advisors;
- Co-curricular - \$600,000 invested in 1000 undergraduate research opportunities.

The University also looks to maintain its commitment to transfer students, by increasing campus-wide collaboration around transfer student recruitment and admissions, facilitating a seamless transition to the University through central orientation and welcome programs, and monitoring specific transfer pipelines and student success measures.

McMaster outlined the ways in which the University values ethnic, economic, and geographic diversity, including maintaining a national and global presence to attract a broad range of students (14% national, and 6%+ international); attracting, retaining, and graduating students from multicultural backgrounds; being attentive to the diversity in Minnesota high schools in recruitment and admissions; and, continuing to build pipelines from other states and countries. Undergraduate students consistently comment on the value of geographical diversity, he noted. Linc Kallsen added that international student tuition was reviewed by the Board of Regents at their last meeting. Several years ago, he said, a strategic decision was made to lower non-resident tuition, called the “R-4000 Plan.” As a result, almost no students paid the full non-resident tuition rate in 2008-2009.

In an effort to support and promote timely graduation, McMaster said, financial aid, tuition, and enrollment strategies are linked, and resources are allocated to support students. Enrollment levels and tuition rates are reviewed annually (including resident tuition rates, non-resident tuition rates, fees, housing rates, and cost of attendance) with consideration of the level of state support, market forces, peer comparisons, and financial aid resources available. The budgeted FY17 tuition revenue is \$879.3 million. The resident tuition rate at the University is in the middle of the Big 10, with total tuition and fees of \$14,224. For non-resident undergraduate tuition, the University is near the bottom of the Big 10 in cost, at \$23,888. In an effort to continue need-based and merit-based aid programs, the University tries to maintain an allocation of all financial aid at roughly $\frac{2}{3}$ need-based aid, and $\frac{1}{3}$ merit-based aid, and the Board of Regents have set a goal to grow overall institutional gift aid to \$275 million.

To help meet the workforce needs of Minnesota and the world, the University pays particular attention to STEM fields important to the state, including food science, health disciplines, environmental science, climate change, and emerging fields and new technologies, McMaster noted. The University has set a target to increase the number of STEM majors who graduate from 3,300 to 3,600 by 2021.

Fred Morrison asked about the high school graduation rate in Minnesota, and if that was going down, affecting resident enrollment. McMaster replied that the number of high school graduates would increase into 2024, so the primary market in the Twin Cities would not be greatly affected; this is an issue, however, in the upper-Midwest market, and it will be important to work in other tertiary markets that have an excess of high school graduates (for example, in New Jersey).

Paul Olin asked if retention and graduation data was tied to the admissions process to help assess why students may not be successful. McMaster responded that yes, this is considered, and that

currently OUE has six years of this data.

Gunn asked if the University was on the lower end of offering financial aid, and if so, whether this had an effect on enrollment for in-state and reciprocity students from middle-income families. McMaster replied that the University is competitive with other area private colleges in this area, but that the institution is more vulnerable in middle-income financial aid issues; OUE is working through this issue with the University Foundation. Lower income students receive approximately \$14,000 or more of gift aid, he added.

Gunn asked if the University tracked how much students were working while attending school. McMaster responded that the national SERU survey provides some of this data; it appears that 10-15 hours of work per week is the ideal schedule, where students see better graduation rates and increased academic performance. This makes clear the importance of on-campus jobs, he added, and their potential for informal mentoring of students.

Feeney asked if the current model is sustainable, and how the balance between tuition, financial aid, and enrollment management were being communicated to colleges. McMaster responded that many faculty currently do not feel metrics are relevant to them, but that faculty were concerned with graduation rates, access, and diversity. The balance in the current model is about right, he said, and the University has seen improved graduation rates and happier students; much progress has been made over the past 10 years.

Feeney let the committee know that Sandra Potthoff had accepted a position at the University of South Florida, and that this would be her last SCFP meeting. Feeney and the committee thanked Potthoff for her service.

Hearing no further business, the meeting was adjourned.

Barbara Irish
University Senate Office