

## Senate Budget Meeting 3-1-2013

### Minutes

- At the January 30<sup>th</sup> Senate meeting, President Maxwell's report included a statement about Drake needing to increase the discount rate.
- In order to get the students that we need, we need to increase our discount rate – the reality is that there are very few full pays at Drake.
- Unless Drake brings in more students, we cannot significantly bring in net revenue.
- Additional students will come with increased costs associated with capacity – we can bring in ca. 900 EFRs per year without significantly adding cost pressure.
- We are currently not increasing student aid package after the EFR year.
- Drake may consider allowing the discount rate to 50% per EFR. We are right around 48% right now.
- What about plans for maintaining or increasing graduate student enrollment?
  - As we bring graduate enrollment up (except for law), we may encounter capacity issues, but presumably we have capacity in SOE and, perhaps, CBPA.
  - Law School admissions may continue to look dismal for the next 5+ years.
  - Is there risk that changing law school enrollments will cascade down to LPS undergraduate enrollment
  - Enrollment in Pharm D. program will continue to erode as students enroll in new Pharm D. programs that have come online at different schools and as labor market pressure makes the Pharm D. degree less attractive.
- 2008, the EFR class was 924 – discount rate went up along with that large enrollment – next class was 904 and the discount rate was lowered slightly. When we reduced discount rate in 2010, enrollment went down to 860. In 2011, we reduced it yet again, and the enrollment was 812. We could have enrolled additional students but quality would have suffered.
- Can we get 900 and quality – YES, but we need to give students more money – i.e., increase discount rate.
- Given pressures to meet enrollment goals – does it make sense to develop more contingency plans around budget – salary increases, capital allocations, etc?
  - By mid-March we should have a good sense for where we will land with regard to EFR enrollment target
    - This year we should lie in the 860-875 range (EFR enrollment). The discount rate will be equivalent to what it was roughly last year – 48% (give or take)
  - How much pressure is coming from BoT to increase enrollment?
    - Discount rate has to rise regardless in order to get the top-tier students

- BoT understands that 900 is the point where we maximize net revenue relative to increase costs associated with increased enrollment
  - How much bargaining goes on in order to hit yield targets?
    - This is becoming a larger issue in the Law School
    - EFR admissions is now beginning to enter the bargaining phase where first offer for financial aid for top students might not be the “final” offer.
- Question raised about facility issues re: EFR recruitment and what does Drake need to enhance and / or add in order to attract students to Drake. Student Center(?), Rec. Center?, Science Facilities(?), SOE building (?)
  - We need to begin to make a concerted effort to set priorities and may need to use Bonding as a mechanism to fund those priorities
  - Can we build accoutrements into spaces that we already need – ways to be strategic about how we make priorities about facilities construction.