Budget Planning Council Meeting Agenda
October 12, 2017 • 11:00am – 1:00 pm
Baker Center ~ Room 503

Meeting Objectives

- Review and revise draft University communication regarding the Fall Financial Reviews and FY19 budget planning expectations, prior to publication

1. Update on the Scholarship Leveraging discussion with the Deans and University Leadership

2. University FY19 Budget Communication – Review & Discussion

Future Meetings:
October 26, 2017: Baker Center ~ MCC Room 219
BPC Members In Attendance: Deb Shaffer, David Descutner, Trevor Roycroft, David Thomas, Matthew Shaftel, Maria Modayil, Cindy Anderson, Jessica Wingett, Faith Voinovich, Landen Lama, Heather Gould, Joe McLaughlin

BPC Members Absent: Brooke Mauro, Renée Middleton, Randy Leite, Susan Williams, Jason Pina

Staff: John Day, Chad Mitchell, Heather Krugman, Katie Hensel, Dawn Weiser, Jim Sabin, Bob Kissell, Shelley Ruff, Jen Kirksey, Laura Myers

Update on the Scholarship Leveraging discussion with the Deans and University Leadership

- There have been three Deans meetings discussing scholarship leveraging options this Fall
- David shared a memo he received from Craig Cornell requesting consideration for the plan the Deans supported which includes:
  - An additional $1,000 in aid for each student in the ACT 25-29 band
    - $1,000 was arrived at through band analysis which suggested the added aid funding would sway student’s decision-making
    - Any changes to current IUC peers’ aid-offerings may affect this $1,000 assumption
    - An estimated 99 new freshmen will result from this action
    - The 99 are in addition to the SEMP projections and those anticipated from our international recruitment efforts
  - An increase in financial aid budget of $2.1M for 4 years to fund the requested increase
    - Memo is not clear - *What is the true base impact of this proposal?*
      - Is it $2M one-time base for 4 years or $2M each of the next 4 years for a total of $8.4M in new base aid?
      - While the memo is not clear, it is assumed that each new freshman cohort will result in an incremental increase in the financial aid budget of $2.1M
  - A recommendation to look to Auxiliaries for a portion of the new scholarship funding since they benefit from the enrollment growth
  - An assumption of $650K in net new tuition revenue

- How does a scholarship leveraging plan like this get worked into the modeling of the enrollments, revenue projections and tuition discounting discussed at the last BPC?
  - Budget impact needs modeled
    - Katie and Craig will work together in preparation for the next BPC to verify net tuition estimates of this proposed FY19 leveraging plan and also to hone in on enrollment projections to start the FY 19 budget process
    - Analyses should to be able to project scenario impacts – what would be the investment ‘breakeven’ point?
    - In order to understand the initiative’s breakeven, the base enrollments and assumed increase in students are critical in verifying the gross and net new tuition impact

- Rather than increasing the central aid budget, was there discussion among the Deans of changing the mix of aid offering to generate the same enrollments for net new revenue increases?
  - We are already competing for, and in some cases losing, students in the ACT 25-29 band to IUC peers
  - This plan’s additional aid request is hoped to increase students as well as improve ACTs
  - The plan also includes an opportunity to grow the yield of these students by moving merit aid offerings to the front-end of the admission process, enticing ACT 25-29 students to accept early
University FY19 Budget Communication – Review & Discussion

- Initial draft communication to Deans/VPs and CFOs shared with BPC
  - To provide guidance for academic units on initial FY19 budget planning and expectations of the Fall Financial Review meetings
- BPC feedback was provided to improve some wording redundancies, to amend wording that was vague or problematic, and to split the 7% modeling paragraph between administrative reductions already in process and a request for academic plans
  - Admin units started to put their 3-year, 7% reduction plans into effect with the FY18 budget
  - Academic units are now being asked to model 7% base reductions in their operating budget to address anticipated FY19 gap in revenues and expenses
    - 7% for discussion purposes only at this point
    - These proposed reduction plans and their impacts will be discussed with colleges during the Fall review meetings
    - In the future, one-time monies can only be used to bridge to permanent base reductions

Next Meeting – Thursday, October 26, 2017, 11:00-1:00, Baker MCC MPR Rm 219