

Committee on Financial and Administrative Policy (FAP): Minutes

Meeting #3: Sept. 11, 2023

Zoom

10 – 11 am

Members Present: Hal Walker (CEAE, Chair), Mike Horan (CFO), Rob Dempski (CBC), Suzanne LePage (CEAE), Joseph Sarkis (BUS), Stephan Sturm (MA), Kris Sullivan, (Associate VP for Academic Affairs)

1. Meeting was called to order at 10:07 am.
2. Agenda was approved as distributed.
3. The minutes of Meeting 1 will wait for approval until Meeting #2 and #3 minutes are completed and will be voted on together.
4. University Budget Update (Mike Horan) (Continued)

The CFO's Update continued with Projected Budget Impacts

There are 1363 currently incoming undergraduate students with an average of a 52% discount rate. The higher than projected discount rate means lowered tuition revenue projections by \$1 million than budgeted. Approximately the same number of newly entering students as last year but with a greater discount rate. The final numbers for the incoming class will be known after the drop/add deadline on the 15th of October.

Admissions was hoping for 1400 students at an approximately 47.9% discount rate, but budgeted numbers were not met. The budget setting for quantity and scholarship was based on external consultant predictions. Regional recruiters are now being added to help address some recruiting concerns. This strategy was changed over the last year to increase the number of applicants and to become more selective. Undergraduate transfers helped with undergraduate student enrollment with revenues of \$569K and about 79 transfers which is more than what was budgeted. Retention rate is close to 96%, a relatively higher retention rate (based on anecdotal evidence of 4 universities).

A FAP member asked a question for using consulting firms for predictions, and not using internal expertise for help in budgeting. In the future WPI has hired a WPI data science graduate who will help us challenge the consultant data, so that we can get to a better strategy.

Another projected budget concern is the student occupancy of residential housing. Occupancy is expected to be 90% rather than the 96% budgeted. This lowered occupancy rate means approximately \$1 million less revenue than budgeted.

Another strategy for increasing tuition revenue is from one of the FY 24 Investments focused on graduate enrollment. There is a target of further recruiting in India for an additional 250 students. This strategy is meant to mitigate concerns related to pressures on generating additional tuition revenue via undergraduate enrollment.

Currently, half of graduate students from overseas are from India and China. The investment plan is to open up an office in India. Although China has dropped off, the percentage of graduate students is still very significant. Cost competitiveness of graduate programs is an issue. Discounted graduate tuition may be considered to attract domestic students. High demand and growth areas will have differentiated and holistic strategy.

The current international graduate enrollment is still unclear due to travel and visa concerns. Grad enrollment had 4% increase, looks like graduate admissions are on track, but will know more after finalization over the next few weeks.

Positions and compensation was briefly discussed. There were nine new net faculty with six borrowed from FY23, four new, one eliminated. There was eight new net staff through turnover. There was a question on whether the number of faculty is meeting the growth plans for students. The goal remains a 13 to 1 student-faculty ratio for planning purposes. The total number of faculty remains at that ratio.

Overall budget is 2 million below projections. A financial update to the community will occur in October.

Time ran out, but some discussion of facility investment and planning was mentioned for a future meeting.

5. Meeting was adjourned at 10:56 am.

Respectfully,

Joseph Sarkis
FAP Secretary