Minutes of the Faculty Senate Special Meeting on 26 January 2016

The Faculty Senate met for a special meeting on Tuesday 26 January 2016 at 5 P.M. in Wells Fargo Auditorium (Beatty Center 115).

1. **Call to Order:** 5:06 PM

2. **Speaker of the Faculty’s Opening Remarks**
   (Invitations to Panelists, Including Questions - [PDF]

   The Speaker welcomed guests and thanked the panelists for coming and participating in the discussion.

   The Speaker explained that on the day when he and the Secretary of the Faculty were finalizing the agenda, the President was in Columbia and unable to confirm that he would like to be on the agenda in time for its release on 1/19. The Speaker moved without objection that the President be added to the agenda following his (the Speaker's) opening remarks.

   The Speaker explained that in December he circulated a Google form questionnaire to Senators, asking them to submit questions that would help build an agenda for the special meeting. The questions distributed to the panelists, he pointed out, can be accessed in the PDF linked to above.

   The Speaker laid out the plan for the meeting: following the President's remarks, panelists were to make brief remarks, responses, and comments on the questions, and after this, the floor would be open for questions.

   The Speaker reminded Senators and guests of the standing rules pertaining to the meeting. All guests are welcome, and all present have floor privileges to ask questions and speak. All who speak, he specified, should wait to be formally recognized by him and, once given the floor, identify themselves and state their roles at the College. The Speaker also emphasized the need for civil discourse.

   The Speaker distributed 50 copies of a document showing the first round of budget cuts that were approved by the Board of Trustees (BOT) in October, a publicly available document, he said. He suggested that the document might serve, for those interested, as a spur to questions for panelists.

   The Speaker here concluded his remarks. There were no questions for the Speaker.

3. **President McConnell’s Remarks**

   President McConnell read from prepared remarks. Below is a transcript of his remarks as delivered.

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   First of all, I want to thank you for the opportunity to be here to address you. I appreciate the opportunity to listen and learn about what is on the faculty’s mind, particularly related to the College’s budget. I have tried to communicate with the Faculty Advisory Committee [to the President] and Deans and others along the way.
I hope that tonight can be an informative and positive experience for all of us. As I previously said, we are at our best here at the College when we learn from each other, engage with each other, and work with each other. I believe that the best of our human spirit is our capacity to grow and to change and be life-long learners because that intellectual growth informs not only our minds, but it shapes our empathy and it creates our connections to one another. I hope we can all keep that thought in mind throughout tonight's meeting. While we may disagree from time to time on College issues, it’s our shared love and passion for this institution that binds all of us so closely together. No matter the issue, no matter the time period in our history, this school has always worked together to support each other and to advance our university. I see no reason why this cannot be true tonight and every day moving forward. Together we, the College of Charleston, can be the nationally preeminent liberal arts and sciences university we aspire to and know that we can be.

One great example of what we can achieve when we work together relates to the BPS [Bachelor of Professional Studies] program and the reforms passed by this body last semester. Our process of shared governance is clearly defined in the F/AM (Faculty/ Administration Manual), worked wonderfully, and we were able to make inroads to a crucial program for the College's future. I want to thank all of you, the Faculty Senate, for your diligent work in committee and in your general body, for meeting, for giving these ideas a chance, and approving these reforms, which I believe will have a positive impact on our budget in the years to come. And that leads us to tonight's conversation: the budget. Let me be clear, the College is not in financial jeopardy. We are making these adjustments to remain fiscally sound going forward.

As I previously said, we do not have an enrollment problem. We have a strong admissions team doing a great job in attracting the best and brightest to our campus. By looking at our admissions data, it is clear that students want to come to the College of Charleston. Our applications numbers are holding steady because our prospective students and their families know that our value proposition is strong compared with other universities up and down the East Coast and around the country. They understand we are well on our way to becoming a nationally preeminent liberal arts and sciences university and that a College of Charleston degree can take you to any job, any career, and any place you want to go in the world. Your options are boundless when you graduate from here, and I try to reiterate that as an alumnus to the graduates when they are leaving at graduation.

As I have said before, we can all disagree on how we address these challenges, and I firmly believe that debates on this campus can be very healthy. However, I think we begin to head down a potentially divisive road when we dissect others' department and division budgets in order to save our own interests. We are a campus of professionals, both on the faculty side and staff side, and we should trust each other to do our jobs efficiently and effectively. Our goal as an institution should always be to collaborate with each other and to complement each other’s work while retaining our individual freedoms. We should not operate in silos, nor should we infringe on each other’s abilities to do the jobs we were hired to do. We do this by being as transparent as possible.
Transparency is the key to remain a strong College of Charleston. And that it is why it has been a priority of my administration since I took office in July of 2014. Many of you saw first hand the way the Provost's office communicated to the Deans, Faculty Budget Committee, and the Academic Affairs personnel throughout last year's budget planning process and our mid-year adjustments. I hope you'll agree that we don't just talk about transparency at the College, but that we practice it.

In closing, I want all of you to know that I believe in building a consensus with the faculty, the staff, and the Faculty Senate. I always appreciate your sharing your thoughts and your ideas as together we work to accomplish the goals of our beloved College. It is a privilege to serve with you. I continue to be excited about trying to move this college forward and to shape a bright and balanced future. Together, in shared governance, we will continue to make decisions that strengthen the institution, our academic mission, and student experience. I want to thank you and the Speaker for giving me the opportunity to address you. We have folks here that are experts in their respective areas, and I hope that we can answer your questions and all of us together learn more about the budget process, the decisions that we’re making. The Board [of Trustees] will be meeting this week, and I welcome your input. And I thank you, Mr. Speaker, and I thank you for the job you do for the College and all of you who care about this great institution and moving it forward.

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4. Brief Presentations/Remarks of Panelists
The Speaker introduced all the panelists and they made remarks in the order below.

A. Steve Osborne - Executive Vice President for Business Affairs (Budget Documents - PDF)

Mr. Osborne offered what he described as a "primer" on the budget and referred frequently throughout to the documents circulated with the agenda, which are taken, he said, directly from the Board of Trustees (BOT)-approved budget from June 2015 for FY 15-16.

On the data sheet (page 1), he highlighted section IV, "Fees 2015-016." He pointed out that the total figure reported for in-state undergraduate fees listed as $10,900, is now $10,950, reflecting an added security fee of $50 annually.

He explained that the "ECollective Fee" ($20) is one the students requested to support sustainability initiatives.

The $70 fee listed in the same section and labeled "Tuition Fee," Mr. Osborne reported, is actually a debt-service fee for a state institution bond that was issued for the School of Business a few years ago.

The "Capital Improvement Fund" fee ($1,608) supports capital construction and bond issues, and a significant portion of this fee (over $960), he said, is pledged as securities for debt service for our bond issues. The difference is used to support capital projects that are fee-funded and not bond-funded. These are primarily smaller capital projects.

The total of the fees listed in section IV of the document is the sum total for tuition and fees, with out-of-state students paying the same in fees as in-state students. Mr.
Osborne said that the total for tuition and fees makes up the income side of what is called the E&G (Educational and General) budget, the "heart of our operating budget."

In the same section of document are included auxiliaries (housing and food services). He said that it is important to note that auxiliaries are "separate and apart from our operating budget." Auxiliaries are self-supporting operations as dictated by state law. He listed the bookstore and Athletics as other auxiliaries. Funds from E&G cannot be carried over to auxiliaries, and the opposite is true, as well: funds from auxiliaries cannot be carried over into the E&G budget.

The BOT sets the fees, and the way in which the fees are set (up or down, relatively) affects the number of dollars going into the E&G budget.

The document's second page shows the College's annual debt payments. Mr. Osborne called attention to the next to last column, which shows the total principle amount owed by the College as around $259 million in bond issuances and bond debt. He pointed out that the first item on the list in the left-hand column is a state institution bond for the School of Business. This type of bond, he said, is different from a revenue bond. Revenue bonds, he said, cover the rest of the debt.

Page three of the document, Mr. Osborne said, gives additions made to this year’s budget, broken down by revenue source and the uses to which the revenue has been put. The top line ($4,614,580) indicates revenue generated by tuition. As this page points out, $3,158,536 came into the E&G budget as additional funds this year over the previous year, and this represents "new money" to be distributed to different areas.

Uses are broken down into different areas. "Mandated New Spending" is just like it sounds: new spending that is not optional. The two items here (employee contributions to health insurance and retirement benefits) must be paid for because we participate in these plans.

Another category, "Inflationary Required Spending / Annualizations" (approximately $1.9 million) accounts for budget items that go up in cost, such as indexed financial aid for abatements as tuition goes up. There are a number of such costs that have to be met. Mr. Osborne said that the total figure for this category is about what we see every year.

"Strategic Action Items" breaks down into "Programatic Items" and "Critical Faculty & Staff Positions (Includes Fringe Benefits)." The list of items under former, he said, was somewhat smaller this year, owing to the offset enrollment number. Around $250,000 of the approximately $407,000 in programatic items was in financial aid; $100,000 was put into the SPECTRA program.

The total outlay in uses matches the additional revenue.

The next four pages break down revenue and expenditures. Mr. Osborne illustrated the degree to which we are tuition-dependent in our budget by pointing out that out of a total operating budget of roughly $180 million, $149,789,029 comes in through tuition. Another nearly $9 million comes from summer school, and another $1.4 million or so in fees.
The budget was presented in June, before the legislative process closed, and state appropriation ($20,573,373) actually went up slightly in the legislative budgetary process (to around $22 million, Mr. Osborne reported).

Page five of the PDF document lists some of the revenue for auxiliary services (stores, vending, housing, parking, etc.) totaling some $55,000,000.

Page six shows how the expenses break down. The total budget, he reported, is roughly $264 million.

Mr. Osborne said that he hope the information he has provided is helpful and gives some perspective on the budget.

B. Jimmie Foster, Jr. - Assistant Vice President for Admissions & Financial Aid (16 Year Trends - PDF)

Mr. Foster said that Mr. Osborne’s presentation pointed out how important enrollments are for the College’s budget, and he thanked the President for his remarks, especially regarding enrollment. He also thanked the Admissions and Financial Aid staff, praising their collaborative work with offices across campus.

He discussed and explained the graphs he provided, “Applications and Enrollment, Completion Admit and Yield Rates” for both resident and non-residents (PDF). He pointed out that the column of five row items on the lower left corner of each graph presents five key information areas, and he defined each:

- Submitted Applications - applications sent to the Office of Admissions, but this does not mean applications that include all the documents needed for a complete application.
- Admitted Students - students offered an acceptance, not including provisionally-admitted students
- Enrolled Students - students who decided to enroll, beyond the census date, and who were with us at the beginning of the fall semester
- Yield Rate - the number of students who took us up on our offer of acceptance, a percentage of the students who applied (for instance, he said, if we invited five to apply and one enrolled, the yield rate would be 20%)
- Tuition - only tuition, not the total cost for students

The charts represent trends over the last 16 years. Mr. Foster said emphatically that in the last 16 years, the College has had "an amazing, amazing run," and added that in comparison to our competitors we are in "one of the strongest, most stable places an institution could be.” The economy, of course, affects how we do, as does, Mr. Foster specified, the population of students (resident versus non-resident).

On the first page (in-state students), the vertical white bars beginning at the 0% line and projecting upward indicate, he pointed out, an upward trend over the years in submitted resident student applications, peaking last year at 5,300 submitted in-state applications, a record number. We are doing very well in this regard. He said that this indicates high brand strength, great interest in our programs, and that potential students see the value of a CofC education.
Yet, for resident students, yield rate (represented by a blue line tracking from left to right across the middle of the graph) over the same time in which applications have been going up, he pointed out, has "trickled down some," from around 41% in 2000 to 36.1% in 2015. Over the last four years, though, he said that there has been relative stability in yield with numbers in the high 30s.

Looking at the "enrolled students" figures, Mr. Foster pointed out that it is very difficult to maintain enrollment at a specific number, particularly within a plus or minus 25-student range. He observed that his office has been able to enroll students within their projected figures consistently with only a few exceptions. He pointed out, for example, that in 2011 we had a higher number of enrollments than expected.

Turning to the non-resident chart on the next page, Mr. Foster said that in this group as well, applications have been going up since 2000. As with the resident numbers, here, too, enrollments show a consistency. Since 2009, he reported, the average non-resident enrollment per class has been 977. The last three years' enrollments, 946, 944, 947, respectively, show great consistency.

The challenge for revenue in enrolling the freshman class, Mr. Foster said, is that when projecting a specific number, 25 students one way or another can make a big revenue impact, which, he noted, we have seen in the past two years. Yet the numbers have, in general, been strong, he said.

C. Robert Cape - Senior Vice President and Chief Information Officer (Memo - PDF)

Mr. Cape said that in his 19-page response to the questions conveyed to him by the Speaker, he took care to be substantive in his responses. He gave summaries of his responses [please see the slides for details].

1. What have been the priorities of your division over the past 10 years?

   Mr. Cape said that he and his department have built an IT organization that provides needed services, support, and infrastructure for faculty, staff, and students. Nine departments have been added to IT in his ten years of service to the College.

2. What do you regard as the 3 or 4 most important specific milestones you achieved, and how much did each of these cost?

   Mr. Cape specified governance as the first milestone, characterizing current governance as "a complete bottom-to-top governance structure." He cited here work with the Faculty Educational Technology Committee; the creation of IT SAC (IT Strategic Advisory Committee), on which he elaborated at length (see the document), the creation of the Executive Steering Committee (ESC), and the creation of the Board of Trustees Committee on Information Technology.

   Mr. Cape also specified the evolution of Teaching, Learning and Technology (TLT) as another milestone reached, as well as the implementation of OAKS
as a replacement for WebCT, and the implementation of the BATTERY project.

3. Why are we required to purchase equipment from vendors who charge much more than market rates? How can you work to get these costs back in line?

Mr. Cape said that our outlay for equipment is considerably less than commercial costs due to the use of state contracts, which offer a negotiation starting point. He reported a savings of 49% off manufacturer’s suggested list price and 38% relative to state contract price, the latter of which he said is due to very good negotiators on his staff.

He called attention to an email exchange he provided in his response between himself and Trustee G. Lee Mikell, who had made some budget inquiries to Mr. Cape.

4. What would you do if you had to cut your budget by 2% or by 4%?

Mr. Cape reported that this year there has been a reduction in the number of classrooms that can be upgraded with classroom technology because Physical Plant cannot do necessary preparatory work for the upgrades. Mr. Cape said if he had to have a 2-4% budget reduction, classroom upgrades would be affected negatively, which he said is explained fully in his document.

5. How were software licenses paid for before this year? Did you get non-recurring funds transferred to your budget year after year, or did you pay for them out of operating funds?

Mr. Cape noted that this question may be referring to new monies IT received for the current fiscal year, which he said he would not go into in his remarks but could address in Q&A if asked.

Some costs, Mr. Cape said, are not generated by IT, but all the costs relate to contractual obligations.

F. Joe Hull - Director of Athletics (Special Faculty Senate Meeting) (Responses to Questions - PDF)

Mr. Hull thanked the audience for their support of Athletics at the College and thanked, in particular, Faculty Athletics Representative Vince Benigni.

Mr. Hull said that one of the primary goals of our programs is to bring positive recognition to the College of Charleston. Through traditional and social media exposure, athletic programs serve as a constant source of publicity for the College. The programs also bring alumni in the community to campus. Student athletes, he said, can serve as role models for youth in the community. Athletics, he added, can bring a sense of esprit de corps to the campus, uniting all the different units of the
campus in celebrating the College of Charleston. In addition, Athletics is a site of diversity at the College of Charleston, with our most visible teams being our most diverse, and it is a benefit to the College to be depicted in this way, he said. Mr. Hull added that Athletics brings an international presence, as well.

Our teams, he said, are visible in major East Coast media markets, which may aid in attracting high-quality out-of-state students to apply. Our changing of conferences also brings us into competition and collaboration with many public schools of note (such as William and Mary, University of Delaware, James Madison University).

Mr. Hull reported that our athletes major in a broad array of areas (not in a small group of majors). Average athletes' GPA over the past five and a half years has been above 3.0. In 2012, '13, and '14 a student athlete graduated through the Honors College with a perfect 4.0 GPA. He added that a current basketball player is carrying a 4.0 and is likely to be nominated as a Rhodes Scholar, the first at the College since 1915.

Turning to the budget, Mr. Hull said that $5 million of the Athletics fee revenue ($14,722,603 on Mr. Osborne's documents) goes to scholarships, and, thus, that money moves directly back to the College. We also, he said, attract many non-scholarship athletes who, in tuition and fees alone, pay back, he said, another $6 million. He said that these considerations are important and add complexity to the budget picture: if we eliminated athletics, he said, it would not mean a savings of the total amount cited above.

We have 365 student athletes, 115 on full scholarships, and about 250 paying their own way. Mr. Hull pointed out a mistake in his written response to the question about how many student athletes are non-resident. He reported 85%, which is an historical figure, he explained, but the current academic year’s figure is 75%.

5. Questions / Discussion

Betsy Baker, Senator - English, asked Mr. Osborne for clarification on precisely how auxiliary services fees factor into the budget and what effect, if any, they may have on the E&G budget.

Mr. Osborne replied that there are two subsets of auxiliaries. Some services (for example, Food Services, Residential, Bookstore) are totally dependent on fees paid directly by the student. Other services (Health Services, Athletics) are supported by a portion of the tuition base paid by the student. Increasing these fees would take away dollars that can go to E&G; likewise, decreasing the fees would increase the dollars that go to E&G.

Julia Eichelberger, Senator - School of Humanities and Social Sciences (SHSS), followed up, offering another way of saying what Mr. Osborne said: "it would be possible for the Trustees to vote to decrease the tuition fee and to increase the athletics fee, for example," with the total fee still remaining flat.

Mr. Osborne said Senator Eichelberger was correct. The Board of Trustees (BOT), he said, approves the fees and change the structure of the fees within the total or, put another way, how the fees are apportioned.

Tom Carroll, Health and Human Performance, asked Mr. Hull for confirmation on the dollar figure for tuition brought in by non-scholarship students: $6 million.
Mr. Hull confirmed the figure he gave, but added that there is some complication in arriving at a figure, since not all scholarship recipients are on a full scholarship, but he said the number is accurate in a broad sense.

Mr. Carroll followed up by asking if Mr. Hull’s figures for non-scholarship student athlete tuition factor in the athletes from the now-eliminated swimming and diving teams. These were especially large teams, he said, with a large number of non-scholarship student athletes.

Mr. Hull said this year’s figures do not include those students.

Claire Curtis, Political Science, asked Mr. Osborne about the ratio of state support to student tuition fees. How do we compare to other schools, in-state and out? She also asked what ideas are being considered to change the ratio.

Mr. Osborne said that most public comprehensive universities who lack an R1 research portfolio and a large endowment, are heavily dependent on tuition. We are in a similar position to other institutions like us in the state.

Drivers of our revenue, Mr. Osborne enumerated, are total enrollment, in-state/out-of-state enrollment mix, some grants, some private funds, and state appropriations. State appropriations are not going to change dramatically, he noted, and because we are not R1, we cannot rely on research grants. We will have to depend on tuition.

Joe Kelly, Senator - SHHS, thanked the panel, and said that in his 24 years at the College he has not seen, as far as transparency goes, an event such as this one. He did say, however, that the meeting is somewhat "cumbersome" and may not be something we wish to repeat annually. Senator Kelly recommended that the chair of the Faculty Budget Committee be able to sit in on meetings in which these budget decisions are made or that we build into our shared-governance structure a way in which communication and transparency can be insured in a less cumbersome way.

Senator Kelly then asked, since he could not tell from Mr. Hull’s documents or the his remarks, if the Athletics budget has taken any cuts. He added that Mr. Hull’s remarks seemed to suggest that upon our joining the Colonial Athletics Association (CAA), Athletics has seen modest increases annually. He asked if the increases have continued or if Athletics has taken any cuts.

Mr. Hull replied that travel expenses went up on our joining the CAA, running in the $500,000-$600,000 range. He explained that the move to the CAA was a campus-decision, not Athletics’s alone. To offset the new travel costs, about $50 was added to the Athletics fee a couple years ago. With that in mind, Mr. Hull said, per student, the cost of competing is about $50 annually or $25 per semester.

Mr. Osborne added some context to the discussion. When we raise tuition, say 3.5%, the Athletics fee may go up about 3%, which, he said is close to the index rate. In the current fiscal year, the BOT allowed a 3% increase to the Athletics budget, but then took a portion of that increase back. They indexed the amount that was required to fund the increase in scholarship costs, which left roughly $153,000. They froze that amount and put it in a restricted reserve fund.

Also, Mr. Osborne said, we should be aware that a fee-dependent program such as Athletics is also, thus, dependent on enrollment and is affected by any fluctuations in it.

Senator Kelly asked about how the Athletics fee has changed over the past five years: has it been around 3.5% as approved by the BOT?

Mr. Osborne said yes, roughly. In the year the College joined the CAA there was a jump.
Tom Baginski, Senator - German and Russian Studies, thanked the panelists and then pointed out that in previous Faculty Senate meetings, two annual shortfalls in Athletics were brought to the faculty's attention: for 2012-13, $1,432,000 and for 2013-14, $547,000. He asked Mr. Hull if the numbers are correct, and if so, if Mr. Hull could shed light on them, and if he expected any further shortfalls.

Mr. Hull replied that while these numbers looks like deficits, they are not, in fact.

In the year of moving from the Southern Conference (SC) to the CAA, there was, Mr. Hull said, a $600,000 SC exit fee, and cash from previously generate revenues paid for this fee. But in the accounting report, it shows as a deficit in a particular line item. In addition, that year, Athletics did about $670,000 worth of pre-approved smaller projects that, again, were paid for with funds on hand but show up, inaccurately, he said, as a deficit in the annual report.

Mr. Hull said that it pains him to see the reported deficits because they seem to indicate an improper management of funds, when there has been nothing of the sort.

Mr. Osborne offered at this point further information. Athletics, as an auxiliary service, is allowed to carry a balance from year to year. Athletics carries a positive fund balance. For instance, he said that receiving $600,000 in a naming rights contract in one year allowed the athletics program to spend that $600,000 in the following year.

Julia Eichelberger, Senator - SHSS, raised two points in reaction to this discussion.

In academic departments, she pointed out, any fund balance remaining at year’s end is swept for use elsewhere in the E&G budget, wherever it is need most critically. Unlike Athletics, academic units are not allowed to generate and carry forward a fund balance.

She also noted that the Athletics fee is moving up to 12% of total general in-state student fees, which she said, seems like a lot of money for every single student to pay. While she said she accepts all of what Mr. Hull said about the value of our teams, it is a legitimate question to ask how much in an Athletics fee is too much. She said that her own questions and the questions of the Faculty Budget Committee (which she chairs) are not meant as an attack, but to raise genuine concerns about what students have to pay in order for all the teams to exist.

Mr. Hull replied that Athletics is doing all it can, through such means as ticket sales, philanthropy, selling sponsorships, etc., to augment the budget. He said that they are able to generate about $3 million annually through these means. Schools such as the University of South Carolina, with large stadiums and TV contracts, he observed, can fund programs without too much campus support. But within the CAA, compared to the other public schools, our fee falls into the bottom half in terms of percentage. Compared to the other state institutions, he said, we are in the "smaller tier." So, he said, while our numbers are "significant," compared to other schools in our state, our fee is smaller.

Mr. Hull said that Athletics is well aware of the issues and is doing its best to keep costs down and carefully manage the budget in the context of its immediate and long-term plans.

Larry Krasnoff, Senator - Philosophy, asked Mr. Foster about the rate of enrolled non-residential students. The number of non-resident enrollments over the past three years has, he said, been stable, as Mr. Foster pointed out. Yet, we have been told over and over that our financial troubles are related in part to a shortfall in non-
resident enrollments. There is a drop from 2011 and 2012’s numbers: is this where the shortfall originates? More generally, what is the nature of the shortfall?

Mr. Foster said that there is a combination of issues at the heart of the problem. Recent graduating classes had a larger percentage of non-resident students than current classes. Projections for the number of non-resident (and resident) students we expect to enroll are made, and this is used to build the budget. Last year, we projected 1,000 non-resident enrollments and fell short of that number.

Senator Krasnoff asked Mr. Foster if the projections two years earlier had been the same, 1,000. Mr. Foster said that, while he can’t recall the specific number, it was around 975 and 955 for the year after that.

Mr. Foster specified that in addition to freshman enrollments, transfer students make a difference. Each fall, he said, we enroll around 750 transfer students. Each spring semester, we enroll approximately 300, he said.

Senator Krasnoff followed up with a different observation. Referring to the chart for non-residents, he observed that accounting for the ratio between submitted applications and admitted students we "get a lot less selective" over time. Why, he asked, "did we get so much less selective?"

Mr. Foster countered Senator Krasnoff’s assertion by saying that the quality of student has actually improved as measured by average GPA, which he said is the number one predictor of student success in the classroom. He reported an incremental climb in in-state and out-of-state incoming student GPA over the past three years.

He added that yield is important to consider. We had a 22.4% yield in 2008, and last year it was down to 17.3% We have had to take more non-residents in order to meet our projections. National trends and conditions in states we depend upon for non-resident enrollments must be considered here. Florida and Georgia, for instance, are competing with us via strong state scholarships that are keeping students at home, forcing us to recruit more energetically in other places.

Senator Krasnoff noted that Mr. Foster focused on GPA as a success predictor and asked what our trends are relating to incoming first year students’ standardized test scores. He added that we used to hear much about standardized test scores in the early 2000s, but we don't anymore.

Mr. Foster replied that the average SAT score has gone down over the last five years or so. However, he added, nationally, attention on the SAT has gone down as well. More students are taking the ACT, and ACT submitters to the College have gone up (to almost half).

Andy Shedlock - Senator - Biology, asked Mr. Foster if the challenge in addressing our shortage in out-of-state enrollments is to adjust the demographics of who is applying to the College or if it is more of an intramural policy adjustment that is needed.

Mr. Foster replied that there is a national trend at work. Yield rates are down everywhere (except in the top 25 R1s and the very top liberal arts institutions). In the mid 1990s, the average student was applying to two or three schools. That number has now doubled. At the same time, there are fewer high school students graduating, so there are fewer students applying to more places and getting into more places (keeping in mind that yield rates are declining across the board). Mr. Foster said that "we have to be smart about this: we don't want to turn away students that we may need to enroll."
Deanna Caveny-Noecker, Associate Provost, said that it might be useful in the future for faculty to have a picture of overall enrollment, including transfers. She suggested that this might be reported to the Senate on a regular basis.

**Returning to Athletics.** Associate Provost Caveny-Noecker, stated that from the faculty’s side of things, we are feeling the cuts but are not convinced that Athletics has been feeling the burden of budget cuts in the same way, but more significant, she said, is that faculty want to be involved in discussions about budget priorities, such as how much of tuition is dedicated to Athletics.

On the one hand, she said, as Mr. Hull pointed out, our Athletics fee is on the low end in our conference, but as she put it, “there are a lot of other places where we are low within that conference and low within groups that we selectively compare ourselves against, for example in faculty salaries.” While we are also near the bottom in state funding, we are, she said, probably near the top in student credit hour production and near the bottom in instructional cost per student credit hour. Keeping such things in mind, she asserted that, as to the Athletics fee, the best comparison is not necessarily to other schools in the CAA, but within our own school, how is Athletics doing in comparison to academics?

What might help in this connection is to know more about Athletics’ fund balance. She asked Mr. Hull if it has been accumulating (suggesting that there’s more money there than needs to be), is it stable at a reasonable number, or is it going down? She added that a single point-in-time figure will not help as much as an over-time figure.

Mr. Hull replied that in the last eight years there has never been a deficit. He added that the balance is about the same now as it was eight years ago. There has been some fluctuation, plus and minus, but, he said, it has been basically stable over time over eight years.

**Todd Grantham**, Philosophy, asked Mr. Foster about tuition, represented on both charts by the green line moving left to right and steadily upward. Professor Grantham pointed out that tuition is rather high and speculated that perhaps lowering tuition a bit might improve our yield. Is the tuition line important in the choices students are making not to come to the College? Could moving it down even a little make a positive impact on yield?

Mr. Foster addressed the question from two angles. He said that enrollment has become a numbers-driven world, which is why we have a data analyst on staff. He added that, in addition to being numbers-driven, enrollment requires a sociological and psychological approach. The Admitted Student Questionnaire (ASQ) from College Board, to which we subscribe, reveals that the reasons students do not come to the College are “a mixed bag,” but cost is certainly one key concern.

Can we go down on tuition? Mr. Foster replied, though it may be counter-intuitive, he would not advocate for lowering non-resident tuition. Using financial aid and discounting is the best way to offset the cost, he argued, instead of taking a institutional risk with an across-the-board tuition cut. For students who are near-misses, a discount or reduction via scholarship of a few thousand dollars may do the trick. We need, he said, better ways to increase our discount rate.

**Kelly Shaver**, Senator - Management and Marketing, asked if our yield figures on non-resident students are comparable to our aspirational peers.

Mr. Foster replied that it depends on who we identify as aspirational peers, of which, over time, we have not had a consistent list. He said he has, however, looked at closest competitors. Yield rates are defined to a great extent by a school’s discount rate. We compete, he said, not only with state schools, but also, due to our brand and
academics, with private schools as well. Competition is fierce with privates, though, because they can offer higher discount rates.

**Jim Newhart**, Classics, asked about student retention. Where are students who leave the College going and why?

The Provost offered to come back as early as the February regular meeting of the Senate to discuss retention in more depth or to give a "wave-top" rundown at the present meeting. Professor Newhart agreed that the former would be better.

Mr. Foster replied that Professor Newhart and Associate Provost Caveny-Noecker both make good points about the multifarious nature of enrollment: there are many factors we have to consider beyond admissions.

**David Desplaces**, Management and Marketing, expressed concern that in March faculty might be asked again to make phone calls to prospective non-resident students. He said that he is "still not hearing a true plan," and that we are relying on an "over-taxed" non-resident pool of prospective students. What are we doing, he asked, to raise money for endowed scholarships from donors? He asked how the foundation is contributing to this effort, and he queried why we are adding scholarships when we do not have the resources to do so (while we are also thinking about building new buildings and such). He emphasized what he sees as a lack of strategic planning in these areas.

The Provost replied that we have been working out of an established plan for recruitment and retention for several years, adjusting as needed, in line with the core goal of being a nationally preeminent liberal arts and sciences university. This is a consistent message, he said, but the competitive environment has changed and our approach and materials for recruitment have been refined to better meet the needs of our audience. The Provost said that he agrees with Professor Desplaces on the importance of philanthropy to fund scholarships, and we have had our most successful campaign to date and an enormous amount of money has been raised for scholarships. Some time will pass, however, before the bulk of it will be available. Plans are in place and being continuously refined.

Mr. Osborne added that the Boundless campaign has recently surpassed its goal of raising $125 million, with scholarships as its highest priority. He added that there has been a good deal of work this year with Admissions and Financial Aid to figure out ways to use partial abatements to a greater extent. Partial abatements, he explained, require a analysis of how much money in incoming revenue can be given up in favor of retaining students. There was partial success with abatements this year, especially for students in particular categories.

Mr. Foster replied to Professor Desplaces's assertions by saying that the Office of Admissions and Financial Aid has "a very solid plan," with numerous strategies featuring a multiple-pronged approach with communication and recruitment travel. The plan is data-driven and augmented by a top-notch marketing strategy, he added.

On the matter of faculty phone calls, Mr. Foster thanked the faculty who have participated. It was effective, he said. Based on the data available right now, he said, we have enrolled almost 3% more students than we would have without the calls. A personal touch, whether in the context of a campus visit of a phone conversation, makes a difference, helping especially with recruiting students of color (our numbers in this area have gone up each of the last five years). Having everyone participate in the recruitment process is key.

President McConnell added that there will be an announcement next month on the status of comprehensive campaign, which he said promises to be an exciting one. About 50% of the money will go toward scholarships, he said. He echoed Provost
McGee’s remark that most of the money raised so far is not immediately available since, he pointed out, it is tied up in estates and such.

President McConnell also reported that the planned Learning Technology Center, due to its expense, will be endowed in order for it to support itself, renovate itself, and grow. He asked for faculty involvement and feedback on how the center should be constructed, equipped, and implemented, particularly for how its technology can be used for teaching. This center will be a draw for prospective students who visit the campus.

President McConnell stressed that the College does have plans for recruitment. He noted that we are combining some recruitment and institutional advancement trips, so that as we meet with alumni, we also are reaching out to prospective students.

Dan Greenberg, Senator - Psychology, raised a question for Mr. Foster. We think we know what we do well and what is great about the College of Charleston, he said, but what we are less aware of is whether or not these things are what the parents and prospective students want to hear. When faculty involve themselves in recruiting, what should faculty be “pushing,” and what are prospective students and parents looking for?

Mr. Foster responded that we should "go beyond the statistics" and try to tell the distinctive story of the College of Charleston. He also said that faculty can emphasize direct outcomes, faculty relationships with students, research opportunities, and networking. Students and parents, he said, are interested in seeing what the experience at the College is "going to do in the real world." The consumer-based decision of choosing a school involves considering it as an investment, so a sense of outcomes will be key. He suggested that faculty emphasize the unique ways in an education at the College connects to the world and give examples of what our students and alumni have done.

Senator Greenberg agreed with Mr. Foster’s characterization of the consumer-decision parents and prospective students are making and the strategies that emerge from that understanding. He added that he can easily make a positive comparison of class size here with Clemson, but a small liberal arts school can beat that pitch, raising the question of what our niche is and how to sell it. He posed two questions: "why hasn’t our recruitment been as effective as we need it to be so far?,” and "how does our pitch differ from our competitors’ pitches?"

Mr. Foster replied that he thinks our recruitment has been very successful, based on how we do against competitors with a better discount rate and the fact that many students are willing to pay full price for a CoFC education. Charleston, as recently reported in USA Today, is also a top post-college boom town, where graduates are joining the area community and adding their skills and talents in a variety of ways to the culture. We are, he said, in an enviable position among our competitors.

Iana Anguelova, Senator - Mathematics, directed a question to Mr. Cape. Many classrooms recently updated and outfitted with new classroom technology, she asserted, are now "close to unusable." For example, a classroom in Maybank Hall features a projector oriented toward the front of the room, a white board on the opposite wall, and the chairs bolted to the floor facing the front of the room. She said we need smart classroom upgrades (smart in the sense of common sense). She asked Mr. Cape what he thinks can be done to avoid spending ineffectively and, thus, wastefully, in classroom upgrades.

Mr. Cape replied that his office has been making classroom upgrades for around three years, a program urged and supported by the BOT and strongly supported by faculty as a way to improve the environment and tools for teaching and student
learning. His unit, he said, takes into account the problems that may emerge in previous designs as new designs are made. When classrooms are chosen for upgrade, he said, IT starts with the department chairs to identify which classrooms to upgrade and routinely works, he said, with faculty who teach in the classroom to get their input, translating into "a great deal of faculty involvement in the design of the classroom." He added that Senator Anguelova has given a good example of a classroom that does not work for her.

Senator Anguelova replied by saying that she cannot imagine a faculty member who would advocate for that particular classroom design.

Mr. Cape asked Senator Anguelova to let him know at another time which classroom she is referring to and it can be investigated to determine "what the surround was" for that classroom's design. Mr. Cape at this point asked for a show of hands among faculty who, first, do not want upgrades to classrooms and, second, who want to have upgrades with their involvement. No hands were raised for the first, several for the second.

Senator Anguelova countered that the issue is not whether or not faculty want upgrades. The issue is that several classrooms that were updated at great expense are "unusable after the upgrade." She said this is true on the North Campus and downtown, and it is wasteful.

Mr. Cape replied that, like Mr. Foster, he is data-driven and asked for the data on the classrooms in question.

Glenn Lesses, Philosophy, asked Mr. Osborne and President McConnell if there are any more budget cuts coming this year, noting that already in this academic year we have had two rounds of unexpected cuts.

Mr. Osborne said they foresee no further cuts this fiscal year. Enrollment will determine the extent of any cuts next year.

Elaine Worzala, Senator - School of Business, directed a question to Mr. Foster. She said she made several phone calls for recruiting out-of-state students last year, yet did not know where to send potential students and parents on their questions about abatements, discounts, and such. Could guidance on these matters be offered to those faculty who make calls?

Also, she wondered about whether or not we are going back to targeted students with offers of discounts or abatements when they seem to be leaning against the College.

Mr. Foster said there is no negotiation with prospective students, per se, but we do offer a financial aid package based on certain criteria, particularly their FAFSA form, which could lead to need-based funding or loans. On the FAFSA-related aid, there's no flexibility. We use scholarship dollars for partial abatements, which is a fixed amount, and we rarely have additional resources left over that we could use to attract students.

Senator Worzala added that she wonders what we can do in terms of additional discounting or abatement for out-of-state students who continue to express interest but are also getting, as they report, compelling offers from elsewhere.

Mr. Foster replied that in some years, when there has been additional resources, we have gone back out to a group of students, but, he said, late in the game, there is very little yield from doing so. Late offers are not typically successful.

He did say, however, that the faculty calling campaign is very helpful, and he pledged support with the right resources for faculty who participate.
Vince Benigni, Communication, said that, in addition to studying student retention at the College, we should also consider examining faculty and staff retention. The literature, he said, shows that there are very high financial and psychological costs to turnover and replacement. He asked Mr. Osborne if we have any data on staff and faculty turnover.

Mr. Osborne said that he does not have data with him, but he agreed that turnover is very costly.

Roxane DeLaurell, Senator - Accounting and Legal Studies, thanked the panelists and praised the transparency the evening has demonstrated. She then asked if there is any way we can get individual schools to have same kind of conversation and transparency about school operations. She suggested that this might be a question for the Provost and Deans.

Julia Eichelberger, Senator - SHHS and Faculty Budget Committee Chair, echoed the appreciation others had expressed for the panelists’ participation, and noted specifically how nice it was to hear from Mr. Foster on how significant the faculty’s contribution is to our success.

She directed a question to Mr. Osborne: would be helpful and appropriate to have a faculty member present at some of the senior leadership’s meetings at which budgetary decisions are made? The Speaker of the Faculty could serve as such a representative. She reported that the Faculty Budget Committee sent a memo to President McConnell suggesting this, but he replied that he did not think it was necessary. She said that she thinks faculty do need such representation since we are part of the labor that creates the revenue. She asked Mr. Osborne if he can help the faculty understand why this might not be a good idea, given his knowledge of the nature of the meetings.

Mr. Osborne replied that he thinks that there are certainly decision points in the budgetary process which should be transparent. Each year there is a process involving the BOT and having faculty involved as the budget is workshopped seems like a good idea.

Senator Eichelberger replied that faculty do attend those meetings, through the Budget Committee. She specified that she is inquiring about meetings in which the budget is being drafted, in the initial stages of the process.

Mr. Osborne replied that he thinks he would need to consult with the President and the other Executive Vice Presidents on this, and that, ultimately, the decision would be the President’s.

Senator Eichelberger noted Mr. Osborne’s service to a number of Presidents and said that she was looking for his unique perspective.

Mr. Osborne replied that he knows the senior leadership wants to be transparent. There are, he said, however, decision points that the executive management team has to engage on its own. There are moments for faculty involvement, he said, just as there are moments for the Deans to be involved.

Larry Krasnoff, Senator - Philosophy, noted that a nice feature of the auxiliary services is that they have separate budgets and their budget-related performance can be observed on a year-to-year basis. Academic programs, however, cannot be easily tracked in the same way. Of particular concern, said Senator Krasnoff, are some graduate programs and the BPS program, which were begun on the promise of making a positive difference in revenue, yet for which we do not get a report of how they are doing in this regard. He asked if there are things we are doing right now or
that we can do better to track these programs to see if they are living up to the initial claims that they will be revenue positive.

Mr. Osborne replied that we can always do better. We are currently, he said, trying to establish more benchmarks for return on investment. The BPS program is a good example. He said that he was told there would be a certain number of students for the BPS and this projection factored into the pitch he made in Columbia. The BPS has made a "slower return on investment" than initially expected. We are, he said, seeking more and more data to judge return on investment and this will be data that can be shared, he said.

Senator Krasnoff followed up by asking if this can be applied to graduate programs as well.

Provost McGee entered the discussion here to add that a few years ago, under Provost Hynd and Associate Provost Diamond, Academic Affairs ran a custom comprehensive cost study for undergraduate and graduate programs on a per credit hour basis. The study was not perfect, but the result was that we could cost out what revenue, if any, programs were generating. We need to develop ongoing tools for measuring how we are doing without having to build custom studies each time. Our ability to predict how large our programs will be has, thus far, not been very successful, he said. We have missed the mark in making projections, one way or another, exceeding or coming in below projections. Finally, he said, as we see enrollment rise in some programs and decline for in others, we need to be candid about such shifts and find ways to shift resources to support the programs that are growing and withdraw resources from those that are getting smaller over time.

Steve Litvin, Senator - Hospitality and Tourism Management, addressed Mr. Osborne, "accountant to accountant," observing that in light of the complexity of the organization, to have a budget come out less than 1% off ($2 million out a budget of over $200 million) is actually impressive and a compliment to Mr. Osborne. "Why all the angst?," he asked. "Why is it not just a casual, relatively easy fix?," he added. He said that he is not criticizing the faculty's worries in characterizing it thusly, but he adduced Post and Courier stories about the College's budget as examples of what he sees as overstatement of the problem.

Mr. Osborne said he appreciated the compliment and agreed with Senator Litvin that the situation has been overstated, and he pointed out that the gap is being addressed by vacancies and operating cost cuts. Yet, any time you take away funding, it does cause some anxiety.

**There were no further questions or comments.**

The Speaker thanked panelists and guests. Applause followed.

6. **Adjournment**: 7:18 PM