

MINUTES
FACULTY SENATE COMMITTEE ON UNIVERSITY PLANNING
Thursday, April 2, 2015
Student Union Stateroom #3 at 3:30 pm

Present: Barbara Anderson (chair), Jason Brody, Brad Burenheide, Lynn Carlin (Liaison for Provost Office), Joel DeRouchey, John Devore, Diana Farmer, Gloria Holcombe, Andy Hurtig, Heather Reed, Drew Smith, and Spencer Wood

Absent: Julia Keen, Mark Weiss

Guests: Pat Bosco, Ethan Erickson, Robert Gamez, Jeff Morris

1. Chair Anderson called the meeting to order at 3:30 p.m.
2. The March 5, 2015 minutes were approved as submitted.
3. New Business
 - A. The university budget/funding sources, tuition and fees, grants/scholarships/debt, enrollment, and how we communicate the value of an education at Kansas State University.

Guests: Dr. Pat Bosco, Vice President of Student Life
Robert Gamez, Senior Associate Director, Student Financial Assistance
Ethan Erickson, Assistant Vice President for Budget Planning
Jeff Morris, Vice President for Communication and Marketing

Anderson began with introductions. She noted that the committee is here today to discuss how the budget, tuition, financial aid/scholarship, and marketing work together.

Student enrollment. Bosco informed members that on average we have about 5000 new students in the fall and about 6000 total new students each year. In 2007, we still had open admissions. However, qualified admissions began in fall of 2008. The legislature and regents have changed admission requirements again and they are taking effect for students admitted this coming fall. It is becoming more complicated to understand and use these standards. This is especially catching first-generation students up. Now, they say that as long as high school students have 17 courses in certain areas they qualify. The KBOR has created exceptions. So, in addition to cost challenges to manage evaluating applicants for admissions against these more complicated standards, there are challenges with having enough students qualified for admission.

Financial Aid. Anderson inquired what the average amount of student financial aid is that does not have to be repaid. Gamez reported that there are about \$20 million dollars in Pell grants given to about 5,000 students. These do not have to be paid back. Scholarships as well do not have to be repaid. The Kansas Comprehensive Grant program was discussed. This program may be affected drastically by legislative

decisions being made right now. The proposal in the legislature would cut \$1.6M in block grants that would support 915 K-State students. Forty-nine percent of K-State students who receive monies from the comprehensive grant program are also first generation college students. If this legislation is passed, it will truly affect students and the bottom line in terms of tuition and fee revenue for K-State.

Tuition was discussed. Erickson gave a handout to committee members outlining the amount of tuition income relative to the total general use budget since 2006. Although the university has increased other sources of funding in an attempt to keep tuition increases low, there are still funding needs that are unmet. As we are aware, state funding keeps going down, whereas cost of tuition and fees have gone up to partially make up for the decreased state funding to the university. In addition, cost of living including textbooks has gone up for students.

Anderson asked about what it costs, on average, to deliver a credit hour? In general, it was not known. Discussion ensued. It was acknowledged this is a complex conversation, yet it was agreed having this information would be helpful. Another question asked is how many graduates leave with debt? Not all do, but the way it is messaged, it could seem to some that *all* students leave with debt. However, it should be messaged that for the students who graduate, of the XX percent that leave with debt, this is the amount of debt on average. Federal parent loans were also mentioned, as these are not included in the average student's debt. People typically speak about student loans, but there are also parent loans, which are less talked about. They can get these loans when they are approved with a credit check. However, parents with lower income at times struggle to qualify for the loans, only further disadvantaging the students with greatest need. It was noted the overall borrowing on federal direct borrowing is limited at \$31,000 for students at K-State. *It was commented that need-based and merit-based scholarships need to be on the docket for fund-raising. It was an eye-opening conversation.*

Marketing: Morris discussed the marketing stand point and how much culture has shifted gradually over time. The public no longer sees education as a public benefit for the common good. They think of it not as a public investment, but a public expense. Looking at long-term trends, our message needs to be a focus on quality of the education we provide. Anderson and Rintoul suggested a strategy they heard at the APLU meeting (information online) that compared the cost of an education today to the purchase of a car today and the cost of an education 35+ years compared to the cost of a car then.

The conversation shifted to an overall conversation of the budget and concern for impacts on our mission given the bill in the legislature that would keep university funding flat for two years but eliminate increases in tuition for two years. Members discussed bonded indebtedness with the upcoming construction to Seaton Hall. Erickson reported that bonding authority was given for FY16. This would need to be renewed each year.

Funds to repay the debt would be coming from the Educational Building fund, rather than the state general fund. However, this impacts other maintenance funding/schedules for buildings on campus that need maintenance because funds will go to Seaton bond payments and reduce the funding available for other buildings. The interest is low at this point. It was noted this can change over time and that the Federal Reserve is indicating an intention to raise interest rates in the coming months.

Lengthy and meaningful discussion took place about how, as an institution, we can continue to address these difficult circumstances over time. Various initiatives and strategies were discussed. Of particular note, was a desire to clearly express the value of an education at K-State and to purposefully restructure our university funding sources including scholarships for students (both need and merit) and possibly increasing the number of out-of-state students as a means of increasing tuition revenue.

Committee members thanked all the guests for being in attendance for this important conversation.

4. The meeting was adjourned at 5:05 p.m. Chair election for the 2015-2016 year will take place at the next meeting.

Next Meeting May 7, 3:30 p.m. Student Union room 204