

UNIVERSITY PLANNING COMMITTEE
Meeting Minutes
 December 15, 2021

Attendees

Jay Brewster (Chair)	Jaye Goosby Smith	Phil Phillips
Ebony Cain	Nelson Granados	Steven Potts
Dean Paul Caron	Connie Horton	Greg Ramirez
Lauren Cosentino	Lee Kats	Dean Mark Roosa
Rick Cupp	Marilyn Misch	Dean Deryck van Rensburg
Dean Michael Feltner	Tim Perrin	Dean Helen Williams
President James Gash	Dean Pete Peterson	

Absent

Gary Hanson	Sara Jackson	James Prieger
Nicolle Taylor		

Observers

Danny DeWalt	Petra Rickertsen	Jody Semerau
Seta Khajarian	Nicole Singer	

Guest Presenters

Robin Gore	Jeffrey Rohde
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I. Call to Order and Devotional

Provost Brewster called the University Planning Committee meeting to order at 8:30 a.m. on December 15, 2021 by Zoom. Connie Horton presented devotional thoughts.

Dean Helen Williams and Steven Potts moved and seconded approval of the November 17, 2021 meeting minutes which were adopted.

II. Room and Board Rate Trends and Rate Projections

Robin Gore presented information concerning room and board projections for FY23 rates. Pepperdine room and board rate goals; Seaver rate increases rates compared to the national average and competitors; and off-campus market comparisons with Pepperdine costs were reviewed. Robin Gore presented the recommendation for a 3% to 5% room rate increase, and a 5% board annual increase. The proposed board increase is suggested anticipating the need to prepare for a new vendor. These recommendations are higher than the national board increase but are low for the meal plan amount. The FY23 published rate would be a 3.3% increase.

It was asked whether Drescher houses graduate students only and Robin Gore confirmed that there is a mix of graduate and undergraduate students living there. In response to a question regarding the typical vacancy rate, Robin Gore responded that there is typically a required 5% vacancy rate to allow for enrollment's gender differences (as dorms are not co-ed) and the ability to relocate students as needed. Greg Ramirez added that the budgeted rate is 95% which has

historically varied; pre-pandemic was around 89-90%, and this year is an outlier at near-full occupancy. Robin Gore continued that aging first-year residence halls leads to an unusual amount of facilities-related dynamics so while 2% may seem excessive, in practice this is not much wiggle room for students. Connie Horton clarified the low years pre-COVID were due to a requirement for time to fill the new Seaside residency.

Reasoning behind the board rate being so low was requested and Robin Gore responded that this helps Pepperdine's total packaging be competitive with other institutions. Pepperdine also does not have an "all you can eat" meal plan which allows students greater flexibility, in turn helping student satisfaction and lowering Sodexo costs. Connie Horton clarified that Pepperdine negotiates food prices with Sodexo, which Pepperdine then uses to determine meal plan price points. Vendor change implications, meal plan requirements across differing class years, and food accommodations for students were discussed.

III. Advancement Office FY23 Budget Process

Lauren Cosentino presented an advancement update on fundraising outlooks. An overview of this year's first fiscal quarter was shared, complemented by highlights from the second quarter. This was followed by an overview of Pepperdine's fundraising success in the last 12-13 years, status of the Advancement Department today, and what they aim to accomplish. Lauren Cosentino will continue working closely with the Deans regarding fundraising teams for their specific schools. Given the FY2020 and FY2021 fundraising goals and campaign success, the goal going forward this current year is \$100 million. Achieving this goal and aligning with the new strategic plan necessitated a change in Advancement's setup which is in progress after conversation with divisions. Position additions and the groundwork being laid for the next campaign were reviewed.

Lauren Cosentino clarified in response to a question that when counting funds raised, pledges, irrevocable estate gifts, and other gifts are included, and reviewed ways Pepperdine is working on donor relationships with the new Advancement setup. President Gash clarified that the same standards are used now as in the last decade. The concern was raised about meeting the unrestricted revenue expectation which Advancement sets each year for each school as part of the budget. Lauren Cosentino responded that donors historically like to be donor investors, meaning they donate to a specific project, but Pepperdine fundraisers are reacting to this by stressing the importance of unrestricted fundraising dollars and the larger picture about why they are important. Fundraisers are balancing this need with specific asks. It was asked how many positions are in Advancement's new model and Lauren Cosentino confirmed there are about 90 across all team functions.

IV. Office of Investment Management FY23 Budget Process

Jeffrey Rohde provided an investment update on endowment performance and outlook. Endowment performance exceeded the targeted payout amount, and payout has increased with the growth in the endowment. As this has been a positive period, the goal for setting the payout as a 5 year rolling average is to ensure consistency in accounting and planning for Pepperdine in preparation for a less-encouraging market. Venture investments are being realized as the valuations come up, and have been lucrative to the endowment.

Jeffrey Rohde discussed streamlining the team and processes, the new fiscal year's venture investment strategy, and managing investments for inflation. Greg Ramirez added that the FY2023 endowment payout budget will be known after closing in December, so they will capture the growth that the presentation explained in next year's budget.

V. Adjournment

The meeting was adjourned at 9:50 a.m. The next University Planning Committee meeting will convene at 8:30 a.m. on January 19, 2022 at the Seaver Board Room.