

UNIVERSITY PLANNING COMMITTEE

19 February 2025

MINUTES**Attendees**

Jay Brewster (Chair)
Sean Burnett
Paul Caron
Deborah Crown
Brad Dudley
Michael Feltner
Tanner Gardner

Nelson Granados
Sara Jackson
Matt Joyner
Lee Kats
Farzin Madjidi
Lila McDowell Carlsen
Tim Perrin

Pete Peterson
Greg Ramirez
Jeffrey Rohde
Mark Roosa
Nicolle Taylor
Kevin Wong

Absent

Lauren Cosentino
Rick Cupp

President James Gash
Jaye Goosby Smith

Dayea Oh
Phil Phillips

Observers

Danny DeWalt
Jonathan See

Petra Rickertsen
Nicole Singer

Seta Khajarian

Guest Presenters

Katy Carr, Rebecca Carson, Mike Cope, Ian Ermatinger-Salas, Andrea Gyorody, Sean Mike Phillips

I. Call to Order and Devotional

Provost Brewster called the University Planning Committee meeting to order at 8:30 a.m. in the Seaver Board Room. Nicolle Taylor presented devotional thoughts. Brad Dudley who is representing Student Affairs through AY25 was welcomed.

Dean Michael Feltner and Tim Perrin moved and seconded approval of the 15 January 2025 meeting minutes which were adopted.

II. Core Revenue Landscape and Discussion

Dean Michael Feltner presented College of Health Science data. A Bachelor of Science in Nursing (BSN) with a two and four year pathway and Entry Level Master's in Nursing (ELM) comprise the School of Nursing programs, beginning August 2025. Accreditation and site construction were named factors in progress. It was reported that WSCUC hearings are going well. Enrollment plans and totals were described. In comparative BSN tuition, Seaver is the most expensive in the state and among the most expensive nationally. In comparative total ELM program tuition, Pepperdine was listed as most expensive, with drivers being the longer program length, and a markedly different experience. It was reported that there is high demand for this as 225 applications have

been received for 16 seats available in fall. Members were reminded that the School of Nursing must match Seaver College pricing. As such, a 3.95% tuition increase for AY26 is recommended.

School of Speech Language Pathology elements were presented. The Master's degree is online in partnership with 2U, starts August 2025, and awaits CAA/ASHA formal approval. Enrollment plans and totals were described, highlighting three annual cohorts. The Foundation/Post Baccalaureate program expects greater enrollment over time. Effective credit hour rates and total program costs were compared with other online SLP and residential schools, and Pepperdine ranks fourth most expensive. It was suggested that tentative pricing is right with the application volume received for fall. Tuition is recommended at \$1,800 per credit hour, and UMC approved the proposed fees.

Members discussed distinguishing factors supporting the higher price. Value add marks include intentional Christian mission integration, liberal arts and international education opportunities, clinical partnerships with leading healthcare partners, and world-class facilities. Facility features were discussed. It was clarified that Post Baccalaureate program total unit load will differ between students as they are expected to transfer in with units. Capacity limitations were described as what can be delivered online in a high-quality manner, and managing satisfaction with movement into the masters program for which space is limited by accreditation standards.

III. Board Rate Trends and Rate Projections

Members were reminded of the Room and Board Rate Trends and Rate Projections presentation from November which this conversation follows. While a 3-5% increase is proposed for next year, it was commented that Pepperdine is comparatively on the low end for total dollars spent on meal plans. Translation from points to dollars and inflation impact were reviewed. Further conversation was offered in response to offering an "all you can eat" meal plan, with additional detail provided on Meal Plan I which roughly doubles the required first year plan which most athletes select. Appreciation was expressed for Waves Cafe's elevated quality and diversity of offerings. Student meal point usage data was a suggested discussion topic for a future UPC meeting.

IV. FY26 Benefits and Compensation Overview

Employees' holistic compensation packages and benefit costs per benefitted full-time employee were presented. A forecasted increase from FY24 to FY25 was reported. Benefit cost increase drivers were attributed to health plan rate and salary increases. It was reminded that the Aetna transition decreased costs; costs will increase in CY25. Healthcare insurance cost drivers were described as the national trend and employee medical cost increases. Loss ratios were presented and described as trending above the desired loss ratio due to pandemic-related causes. Medical insurance renewal increases and average employee premium rate changes were explained. Premium compared to salary history and medical premium cost share history between the employee and University were presented. Members were reminded these medical costs are forecasted as initial healthcare renewal numbers will be received in May.

Peer merit increases and industry benchmarking were presented, with Pepperdine's recommendation described as contingent on budget, medical costs, and other forthcoming factors. Minimum wage and exempt minimum increases and salary floors were reviewed. Projected total costs for impacted employees were presented.

Members discussed Aetna performance and how to provide feedback on provider service quality. It was clarified that while it is not apparent that transitioning away from Aetna will not likely occur this year, the team constantly assesses options in employees' best interest and plan designs within the providers will be assessed. Loss ratio compared to actual costs incurred was explained.

V. Review of External Costs and General Expense Trends

Expense composition over time, by category, and adjusted for inflation were presented. It was commented that operating expenses remain relatively flat relative to revenue changes. Personnel was identified as a category where expenses are growing. Student aid was the second largest reported expense. Regulatory environments' expense impact was highlighted, naming NCAA requirements' impact on Athletics expenses. Growth for all schools combined was reported at about 3%. External expenses and composition were presented, and members reminded that these include utilities, satellite campus leases, and institutional insurance. Expected FY26 increases include benefit costs, institutional insurance, and information technology due to the LMS provider transition. Members discussed forecasted facility lease rates and price factors. Faculty salary related to inflation was a suggested discussion topic for a future meeting.

VI. Lilly Endowment Awards

Context was provided for the initiation of each new grant announced, which are the largest Pepperdine has received from the Lilly Endowment. 'Passages', led by Dr. Andrea Gyorody of the Weisman Museum is supported by the Religion and Cultural Institutions Initiative with \$2.5 million. Four exhibitions featured on and off campus span fall 2026 to fall 2029. Project goals, scope, and implementation were presented, highlighting extensive academic outreach at Pepperdine and LA and Ventura County K-12 schools. The Ministry in Rural Areas and Small Towns Initiative selected Pepperdine's Empower and Equip program to support national Church of Christ revitalization endeavors with \$7.5 million. Mike Cope, Director of Ministry Outreach will lead the project. Leadership, mission and ministry, and collaboration and community were highlighted elements. Pepperdine will partner with several institutions to create a national resource network. Appreciation was expressed for Mike Cope's long standing relationship with the Lilly Endowment, Dr. Andrea Gyorody's innovation, and the Research, Grants, and Foundation Relations team's stewardship making these awards and resulting missional excellence work possible.

VII. Adjournment

The meeting adjourned at 10:12 a.m. The University Planning Committee will next convene at 8:30 a.m. on 19 March 2025 in the Seaver Board Room.