

UNIVERSITY PLANNING COMMITTEE
Meeting Minutes
 November 13, 2019

Attendees

Paul Caron
 Richard Cupp
 Michael Feltner
 James Gash
 Rick Gibson
 Darren Good
 Keith Hinkle
 Connie Horton

Sara Jackson
 Lee Kats
 Rick Marrs (chair)
 Marilyn Misch
 Tim Perrin
 Pete Peterson
 Phil Phillips
 Jeff Pippin

Steven Potts
 Mark Roosa
 Michael Shires
 Nicolle Taylor
 Deryck van Rensburg
 Helen Williams

Absent

Lisa Bortman
 Gary Hanson
 June Schmieder-Ramirez
 Jonathan See

Observers

Jessica Arnold (Student)
 Alexandra Boutelle (Student)
 Cynthia Colburn
 La Shonda Coleman
 Danny DeWalt
 Ildiko Hazak
 Barbara Ingram
 Tyler Kleinert (Student)
 Meredith McCune (Student)
 Greg Ramirez
 Jody Semerau
 Natasha Thapar-Olmos

I. Call to Order and Devotional

Provost Marrs called the University Planning Committee meeting to order at 8:32 a.m. on November 13, 2019, in the Seaver Board Room at Pepperdine University – Malibu campus. Connie Horton presented devotional thoughts.

Marilyn Misch and Helen Williams moved and seconded approval of the minutes for October 16, 2019, which were adopted.

II. Existing Market Conditions and Revenue Strategies

The Deans presented existing market conditions and revenue strategies that support proposed fiscal 2021 tuition pricing.

Pepperdine Graziadio Business School

Presenter: Deryck van Rensburg, Dean

Dean van Rensburg began by sharing how the return on investment compares to rankings. The Graziadio full-time MBA program is ranked 74 by the U.S News and World Report. This ranking is 31 points lower than the closest competitor, UC Irvine, Merage School of Business. Pepperdine's tuition is \$10,000 more compared to its competitors. Dean van Rensburg commented that business schools are closing their full-time MBA programs, because the market is sensitive and there is an uncertain demand for graduate business programs. International students are going more to study in Europe. Dean van Rensburg asked: "How do we strategically position our program and school?" It is a highly competitive market. Dean van Rensburg reviewed the return on investment. The starting salary of Graziadio Business School graduates is less than the school's closest competitor. At the top-ranked schools the starting salary is higher. At Pepperdine, the tuition outpaces the starting salary. Next, Dean van Rensburg compared the enrollment numbers and GMAT scores. The average GMAT score at Graziadio is 624, while the average GMAT score at Stanford is 735. Students who score high at the GMAT exam, will get into higher ranked schools. Graziadio Business School is significantly more expensive as its peers. The specialist master's programs are also more expensive than the competition. Dean van Rensburg reviewed the enrollment relative to tuition pricing. The part-time MBA program is experiencing a three-year decline. The tuition pricing went up for the part-time MBA program. This is the largest program. The Executive MBA program tuition price has increased also. Overall, the Graziadio Business School's recommendation is to increase tuition by an average of 2.5% - 2.7 %.

Caruso School of Law

Presenter: Paul Caron, Dean

Dean Caron commented that the law school experienced a very large decline from 2010 to 2017 in law school applicants. But the market is beginning to rebound. Most law schools reduced the size of their classes. Pepperdine School of Law kept admitting around 210 students, therefore this led to decline of the quality of students. The law school is having difficulty placing students at highest quality jobs as lawyers. Dean Caron continued presenting the Right-Sized

Excellence, including improving JD student outcomes, offsetting JD revenue shortfall by reducing expenses and increasing fundraising and annually ranking among the nation's top 50 law schools. The LSAT median have gone from 159 to 161. The undergraduate GPA median increased from 3.6 to 3.66. In 2018 the laws school applications have jumped by 44%. The 2019 applications remained flat. The law school's yield dramatically increased. The law school is improving the JD student outcomes by reducing the class size. The targeted size for fall next year is 160 students per class. Employment at graduation is up at 50%. Dean Caron commented that the law school still has a lot of work to do, including increasing fundraising. The tenured faculty numbers have been reduced. The online program has increased to 361 students in 2019. The law school has raised \$25 million and received a \$50 million gift from the Caruso Family Foundation. Three different areas were targeted, including scholarships and loan forgiveness, bar passage and jobs, and hiring faculty and enhancing faculty research. Rick Caruso agreed to raise another \$50 million over the next decade. If \$50,000 is donated for a year, the law school will put that money to work to help one student. The law school is hoping to get 50 partners. Dean Caron commented that Caruso School of Law has risen higher than any other law school and it keeps rising. In three years, the law school could be ranked in the low 40s. Dean Caron commented that the average law school debt has gone down. In 2019, the highest law school debt was \$303,000. The law school tuition increase is 3.0% in 2019. The law school is doing everything to keep its tuition down.

Graduate School of Education and Psychology

Presenter: Helen Williams, Dean

Dean Williams began by discussing that Graduate School of Education and Psychology (GSEP) focuses on human diversity in its work to advance learning and service. The school promotes discourse that values each member's background. GSEP develops curricular models for practice. GSEP does a lot of outreach to its community. Dean Williams commented that GSEP's enrollment continues to increase. In fall 2017, there were 19 students enrolled in the Psychology online program. By fall 2018, 298 students enrolled in the online program. Online presence is a major player at GSEP. Dean Williams continued to discuss the market challenges. The marketing budget has not increased in the past years. The tuition at Pepperdine for MA in Teaching is \$43,180. GSEP competes with Brandman University that offers the same degree for \$19,800. Dean Williams commented that GSEP is well-positioned and it is one of the top schools in the nation. GSEP recommends a 3.5% overall increase in tuition. GSEP would like to increase the on-ground enrollment to maintain the school's identity. The school would also like to strengthen focus on diversity.

Seaver College

Presenter: Michael Feltner, Dean

Dean Feltner began by presenting the ten-year history of tuition and fees at Seaver College. The total tuition median is \$55,435. Dean Feltner continued to present the US News top 75 schools tuition rate increases. Dean Feltner discussed endowment and commented that the top 20 undergraduate schools have a higher endowment amount. Dean Feltner compared the tuition rate of Pepperdine to its peers and competitors. Dean Feltner discussed the 2019-2020 tuition and fee increases. The predicted median for peers and competitors is 3.72%. Dean Feltner continued to review the FY21 tuition and fee projection numbers. Dean Feltner discussed the F21 proposed gross tuition rate increase factors and the constraints at this market. Dean Feltner noted that the school cannot ignore discount rate and net price in setting gross tuition increase. The gross tuition only tells portion of impact on students. The students pay the net price. The complete picture requires understanding of aid-related spending and its effects on net price. The discount rate reflects the percentage of tuition discounting due to financial aid. The discount rate for FY19 is below 40%. Dean Feltner commented that Seaver has managed the discount rate well. Increasing tuition and enrollment coupled with decreasing discount rates has allowed Seaver College to grow net tuition on a per student basis at rates exceeding the rate of tuition increase during 5 of the last 6 fiscal years. Seaver College needs to manage and increase the discount rate and increase the financial aid. Seaver College recommends a tuition rate increase by 3.41% (peer and competitor median), a target discount rate of 40%-42% and gross revenue increase of 4.5% on budgeted enrollment. Dean Feltner noted that if the rate increase is above 3.41% then 100% of all gross revenue should be used for Seaver financial aid.

School of Public Policy

Presenter: Pete Peterson, Dean

Dean Peterson began by presenting the 5-year strategy of the School of Public Policy, including clarifying brand, curriculum overhaul, personnel changes, new social media strategy, deepening and expanding partnerships, expanding DC programs, adding new professional certificates, exploring online offerings, deepening fundraising relationships and securing naming gift. Dean Peterson commented that enrollment has declined since 2013. Dean Peterson noted that there are positive signs for 2021. Current applications to School of Public Policy are up by 29%. School of Public policy is recruiting more students. The growth of endowment is at \$31 million. Dean Peterson reviewed the student debt at School of Public Policy. About half of School of Public Policy students are graduating with \$35,000 - \$45,000 debt. Dean Peterson compared the tuition rate of Pepperdine School of Public Policy to competitors. School of Public Policy recommends a 3% tuition increase for FY2021.

III. Strategic Plan Introduction

Tim Perrin introduced the Strategic Planning Task Force members who joined the UPC meeting. The UPC members organized to break into groups. Tim Perrin commented that the groups should focus on the internal and external part of the SWOT analysis. Tim Perrin asked the following questions from the groups: What are the thematic elements? What are the most important elements?

IV. Whiteboard Reports

Tim Perrin introduced Rick Gibson who presented the whiteboard reports. Rick Gibson helped moderate the conversation between the groups. The goal of this discussion is to bring clarity. The UPC has divided groups into their own areas. Rick Gibson commented that the groups are going to find out if big themes will emerge or overlapping themes will emerge. The groups looked at the SWOT analysis and answered the following questions: What are the threats and opportunities? What are the big ideas?

Administration group: Phil Phillips added: “financial sustainability”

Athletics, Marketing and Advancement group: Tim Perrin added one word: “resources”

Faculty group: Marilyn Misch added one word: “identity”

Students and Students life group: Students added one word: “community”

Deans group: The deans added one word: “academics”

Words that did not make it to the board: Mission, adaptability, excellence, innovation, resilience, faith, balance, revenues, humanity – (human experience gets lost in the digital world) and differentiation

Words that were added to the individual groups:

Students group added “resilience”, Administration group added “Mission”, Deans group added “resources”, Athletics, Marketing and Advancement group added “differentiation”, Faculty group added “resources” and Marilyn Misch added the word “diversity”. This word can tie into “global”.

Rick Gibson noted that legacy and heritage are also important. Dean Feltner asked to add the word “Christian”. The students asked to add the word “accessibility”. The students noted that inclusion is also important. Marilyn Misch added the word “Impact” to the Faculty group.

Rick Gibson asked: “What are the big common themes?” The common themes are: resources, innovation, mission, excellence, identity and differentiation. The Deans group noted that there is a connection between academics and resources. Rick Gibson asked how is the university doing regarding the mission and highest standard of excellence. Dean Williams commented that innovation should be looked at in academics. Marilyn Misch commented that resources are needed for teachers and research. There has to be support for reducing the work load. The

group connected the words: “Sustainability” and “Resources”. Rick Gibson asked the groups: “Is anything rising to the top? Top words are “academics” and “resources”. Rick Gibson commented that the common themes are important channels. He asked: “What are the strategies to get there?” Provost Marrs commented that he hopes that the University Planning Committee members found this activity helpful.

V. Adjournment

The meeting was adjourned at 11:02 a.m. The next meeting of the University Planning Committee will convene at 8:30 a.m. on December 18, 2019 in the Seaver Board Room.