

Finance Committee Report – 12/3/2013 - Marc Kirschenbaum

1. The deficit for 2013-2014 was finalized at around \$500,000.
2. We have a 89% sophomore retention rate. The rate goes down after the sophomore year. One reason for this is that we do not offer a particular major a student is interested in.
3. The very preliminary 2014-2015 budget
 - a. Will use 750 incoming freshman class to make up the operating budget
 - b. Looks like around a 62% discount rate for the freshman
 - c. Expect around 100 transfer students
 - d. Will draw \$3,000,000 from a quasi-endowment fund
 - e. When University of Xavier in New Orleans tried to lower their discount rate by 3% that had a 25% reduction in the incoming freshman class.
 - f. With our current discount rate the average tuition is \$12,700 per student. Would like to somehow get that up to \$13,500.
4. We were told there is a 5 year strategic plan to present to the full board to address our long term financial situation but it is driven by admissions.
5. The staff will receive a salary pool of \$250,000 in 2014.
6. The expectation is that medical premiums will go up by another 10% this year.
7. We were shown some data with respect to the other 27 Jesuit universities. One piece of data had John Carroll University ranked 24th (out of 28) for the 75th percentile of SAT scores. It also looked poor with respect to selectivity.
8. John Carroll University is using ATR consulting group for planning tuition costs etc. Trying to find that sweet spot that families are willing to pay.
9. Thinking out of the box, looking into differential pricing for tuition. For example, since science courses are more expensive to run the tuition for those courses should be higher.