



**UCRA Meeting Minutes
September 21, 2018
The President's Conference Room
10 a.m. to noon**

Members Present: D. Hareza (Convener), C. Beam, R. Day, C. Dietz, J. Dillon, B. Dolan, J. Krukones, M. Sheldon, E. Swenson, S. Vitatoe, G. Weinstein, C. Wenzel

Excused Members: D. Kilbride, P. Shick

Recording Minutes: P. Chiller

1. Approval of Meeting Minutes from February 27, 2018

The Committee reapproved meeting minutes from February 27, 2018.

2. Moody's Report Review

D. Hareza reviewed highlights from the Moody's Higher Education Mid-Year Update and the Published Credit Opinion.

- Strong balance sheet and endowment
- Good financial performance and liquidity
- Most debt is fixed

Moody's commended John Carroll University's Leadership for taking HLC's recommendations seriously and making tough decisions proactively.

3. Review of 2018 Results and 2019 Forecast

D. Hareza reviewed the 2018 financial performance on a GAAP basis. Revenue grew for the first time in 3 years, because of improved student retention and enrollment, expenses declined versus 2017 due to restructuring savings and cost discipline. FY2018 financial results of a \$(1.9)M deficit improved significantly over prior years, reducing JCU's deficit in half from FY2017.

The annual audit went well. The University's financial position remains solid due to balance sheet strength driven by the endowment. JCU continues to lag peers on critical net tuition metrics. JCU is in a position to focus resources on revenue growth and operating performance to improve financial condition.

The current outlook for FY2019 projects a deficit of \$(2.6)M. Factors for a greater deficit are:

- Increased discount rate offset the impact of a large freshman class
- Declines in freshman retention and upper class R&B revenue
- Fewer staff vacancies, including senior level positions
- Wage increases of 2% and increasing benefit expenses

A retention task force is working to identify reasons why students move off campus, while C. Beam and the Student Union take the lead to reveal where the convenience of living on campus ends and

what types of improvements would keep students on campus. C. Dietz will lead two student housing tours with members of the Board of Directors next week.

4. Tuition, Room and Board Increases for 2019-2020

D. Hareza reviewed the total cost of attendance proposal for 2019-2020. The goal is to balance competitive positioning with financial needs and find the “right size” class annually to get the net student growth necessary to achieve revenue growth.

The recommended increases for 2019-2020 are:

- Gross tuition increase of 3.5% is consistent with Private Peers
- Room and Board increase of 3.0% is below most Private Peers increase last year
- Fees increase 12.0% after 10 years of no increases in student activity fee
 - Future fee increases will be tied to tuition increases
- Total Cost of Attendance increase is 3.4%, lower than most Private Peers increase last year