

November 9, 2011

MEMORANDUM

TO: The Ad Hoc Committee on AccessUVa:

Mark J. Kington, Chair
A. Macdonald Caputo
Allison Cryor DiNardo
W. Heywood Fralin
Robert D. Hardie
Glynn D. Key
John L. Nau III
Jonathan B. Overdevest
Helen E. Dragas, Ex Officio

FROM: Susan G. Harris

SUBJECT: Minutes of the Ad Hoc Committee on AccessUVa Meeting on
November 9, 2011

The Ad Hoc Committee on AccessUVa of the Board of Visitors of the University of Virginia met, in Open Session, at 3:00 p.m., Wednesday, November 9, 2011, in the Board Room of the Pavilion at the Boars Head Inn; Mark J. Kington, Chair, presided. Present were Ms. Allison Cryor DiNardo, Robert D. Hardie, John L. Nau III, and Ms. Helen E. Dragas, Rector.

Present as well were Michael Strine, Ms. Susan G. Harris, Ms. Yoke San L. Reynolds, David Boling, George Stovall, Ms. Nancy Rivers, Ms. Lynn Walker, Ms. Christina Morell, John D. Simon, Stephen A. Kimata, Gregory W. Roberts, Ms. Colette Sheehy, Ms. Megan K. Lowe, Ms. Nancy Eagle, Scott Miller, and Ms. Debra D. Rinker.

Consultants David Strauss, Craig Goebel, and Ben Edwards were also present.

The Chair provided some background on the implementation of AccessUVa in 2004 and the need for a systematic review of the program. At the June 2011 meeting of the Board of Visitors it was requested that University management hire a consultant to perform a comprehensive assessment of the program. An update on the program review was given at the September 2011 Board meeting by the Vice President and Chief Financial Officer, Ms. Reynolds. This included assessment of the project governance, a timeline, and the defined scope of work and process for securing the services of a consultant. Subsequently, the University issued a request for proposal for a consultant, several firms responded, and one was chosen, Art & Science Group.

Mr. Kington said since the engagement of a consultant, the project has "morphed" a bit as a result of the discussions of scope among committee members and with the consultants. Ms. Key suggested looking at tuition in a broader context than financial aid. She asked the committee members to consider the goal of achieving the best student body mix—are there ways of achieving this other than sheer dollars? She said it was important to have data to make good decisions and to avoid working from pre-conceived notions. Mr. Kington said this is all about tradeoffs. While it might be messy, the consultants have been asked to provide data on choices, which may include choices that do not involve dollars.

Michael Strine, Executive Vice President and Chief Operating Officer, asked everyone to introduce themselves. Following the introductions, Messrs. Goebel, Strauss, and Edwards of Art & Science Group led a discussion to define the objectives and scope of the engagement. Mr. Goebel said the objectives have evolved over time. He said the first step is to help the committee and the Board understand what the University can do considering its current constraints. This will include looking at peers and benchmarking, and an econometric assessment of financial aid. They will attempt to complete this work before the February 2012 Board of Visitors meeting.

Mr. Goebel said the next step is to look at alternatives for trying something new: different initiatives, different ways of looking at student life, different ways of setting up financial aid packages.

Mr. Strauss said it was important to understand the Board's objectives. He said they planned to conduct interviews to understand theories and hypotheses on financial aid and the potential tradeoffs that have been considered. He said the studies they will conduct are not generic—they will be tailored to the individual institution.

The consultants said peer assessment will be a component of their work, demonstrating the effectiveness of aid dollars. They will run statistical models of the likelihood of matriculating and simulations to understand tradeoffs in the financial aid arena. They warned that

things change over time, and so the past may not predict the future, but they will be able to explain the reliability of the models.

The consultants said they would look at the kinds of things that could be put on the table to attract the pool the University is seeking. This will involve research into the attitudes of applicants, asking them why they decided to apply and why they chose to matriculate, and then model what would happen to both if certain changes were made.

Ms. DiNardo said she thought student athletes were different because they care less about the cost. Mr. Strauss said there is a confounding aspect in the sports relationship that other applicants do not have, and so they are not typical. Mr. Hardie mentioned that the NCAA is considering allowing schools to pay a \$2,000 stipend to student athletes and other changes. Mr. Edwards reiterated that student athletes should not be included in the financial aid statistics because of the significant differences.

Ms. Dragas expressed a concern about the review process fitting into the Board calendar. Mr. Strine reiterated that they plan to provide information to the Board in February on how to optimize dollars if the rules don't change, however, fund restructuring requires experiencing a full admission cycle. Mr. Edwards said the timing of starting this project is just right because they are at the front end of the cycle and they will study two decisions of potential applicants: 1. the decision to apply; and 2. the decision to matriculate. He said they will visit the Grounds during Thanksgiving week to begin interviews of the constituents, including all members of the Board of Visitors.

Mr. Edwards asked if there were segments the committee would want to study separately. Mr. Roberts said race, geography and "high test" kids, and possibly potential engineering candidates. He said there is a distinction between the out-of-state and in-state pools in terms of quality and influence on diversity. Mr. Edwards said every institution's prospective student pool is unique.

Ms. DiNardo asked if the consultants use case studies. Mr. Strauss responded that they work with students on campus and look at peers to see what they are doing. They will survey the market, look at competitors, and evaluate the University's strength of position in the market. He said they find quantitative data remarkably predictive; anecdotal information is less so.

The consultants asked about growth and Mr. Strine explained the pressure to increase in-state enrollment, and the University's decision to increase all enrollment rather than change the in-state, out-of-state ratio. A hypothesis to test is the growth "sweet spot". The University planned 1400 more undergraduates over multiple years, with growth accelerating into the later years out to 2018. Mr. Simon said he was very concerned about enrollment growth; there are

unintended consequences and a school may cross the tipping point, affecting the student experience. The pressure for enrollment growth will never stop, but where is the line?

Mr. Simon suggested the College Advising Seminars (known as "COLAs") might be a recruitment tool. The University needs to understand the effect on recruiting of scaling up these programs.

Ms. DiNardo said it was important to understand the perception of students by testing what they think is the effect of various programs and plans, including growth. Mr. Goebel agreed; it is important to understand how students frame size, whether they would look at the undergraduate numbers or the total number of students. Mr. Simon said growing the graduate student body has serious impact; the graduate/undergraduate mix has an effect on the culture.

Mr. Kington suggested looking at when money is spent on potential students: should it be when they are about to apply, or when they are in the 8th grade? Mr. Roberts said the Admission officers spend time in middle schools developing relationships. It is important to bring prospective students to Grounds for summer programs or visits.

Mr. Strauss asked what motivates the charge to the committee? Ms. Dragas said they are not sure the financial aid program results equal the dollars spent, and they need data to understand what could be accomplished with the dollars and what could be done to be better stewards of the program in the future. It is a question of establishing priorities.

Mr. Nau said the tradeoff is discretionary funds versus scholarships. He asked if other institutions have faced the issue of balancing discretionary funds versus need-based scholarships. He said units are suffering from a lack of discretionary funding. Mr. Edwards said they need to test creative ideas about what could be done with the funding, and increase demand. Mr. Kington warned that there is a greater risk at the University than many realize. Mr. Strauss said it is important to measure the strength of the competitive edge; the committee may find that they need to act more boldly.

Mr. Roberts pointed out that when quality increases, often there is a drop in yield because the University may be perceived as a safety school for those in the most desirable pool.

Mr. Strine said the process should include looking at the relative roles of gross and net price. Mr. Strauss said they will test price points and gross price versus a discount, including testing raising price and raising aid along with it. Mr. Strine pointed out that the admission program now is need blind. Mr. Goebel said this is easy for the public to understand but it is a dull instrument—it is not nuanced.

Mr. Kington thanked everyone for their participation in the discussion, and upon motion, the meeting was adjourned at 5:05 p.m.

SGH:lah

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/specialcommminutes.html>