

February 19, 2015

Greetings Wake Forest University Faculty Senate,

It is my pleasure to submit the Faculty Senate Report on the Board of Trustees Finance Committee that met on Thursday, 01/29/2015.

The first topic of new business was tuition and other pricing recommendations for FY 2015-2016 and preliminary budget priorities. When compared with peer universities, Wake Forest has the second highest tuition and fees, eclipsed only by Boston College. The tuition and fees at Wake Forest total \$32,610, while that of Vanderbilt is \$20,848. This difference is related to the level of subsidies that are provided to students through the endowment. Given the fact that our university has a small endowment relative to comparable institutions, we remain a tuition driven institution and enrollment is thus subject to many of the economic factors that determine an applicant's ability to pay tuition. The increase in tuition for the next academic year for undergraduates is 3.25%, and 2.33% for graduate students. Room charges will increase 3% while board charges will increase 3-5%. Rogan Kersh noted that an emerging trend of fewer high school graduates will result in declining demand for higher education in the near future.

A report on the FY-16 operating and capital budget process was presented to the committee. Key areas of the discussion included maintaining competitive market pricing compensation, five-year projection requirements for major budget units, continued opportunities for recurring savings and new revenue opportunities, and long range business modeling for financial stability.

The committee was then presented a review of revenue and cost forecasting. Discussions with key academic and administrative staff continue to inform current models of cost allocation by the university. In addition, there is ongoing development of analysis and forecast models including those of multiyear forecasts and sensitivity analysis around key measures and competitive position analysis.

An update on residence hall upgrades was presented to the committee. The first step in this process is to fully understand the financial and administrative impact of renewing the aging residence halls that are considered to reflect poorly on Wake Forest University's residential experience.

The committee then reviewed an amendment to the finance committee charter that removed the duty of the committee to act on behalf of the board in real estate management and transactions

Finally, there was a report given by Mr. Mark Peterson on the capital campaign. The capital campaign continues to make significant progress.

Respectfully,  
John H. Stewart, IV, MD, MBA  
Wake Forest School of Medicine