Version February 2019

"FRIDAY GROUP" REPORT

Official Report, Approved by the Faculty Senate

2018-2019

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Background

In January 2015, the Faculty Senate, in concert with multiple faculty committees, produced a **Budget Reallocation document**. In the document the Senate acknowledged the benefits of increasing net tuition revenue, including a renewed focus on faculty resources and staff salaries. It also acknowledged the robust commitment of the president and trustees to building the endowment through gifts, managing it conservatively, and investing it wisely over the past decade. While acknowledging these positive gains, however, the Budget Reallocation Document clearly and cogently expressed the concern that the 2009-2010 strategic plan was not producing the promised academic or financial outcomes. It therefore proposed a greater emphasis on academic quality in the next strategic plan and the redistribution of new operating revenues toward the academic program. Unfortunately, over the past three and one-half years few of the concerns raised or recommendations proposed in that document have been addressed.

In light of the marvelous gift from the Brown family announced on April 9, 2018, we would note that investing in academic programs, academic space, and enhancing our academic reputation actually fits perfectly with what Stetson faculty and the Faculty Senate have been arguing for many years. These are exactly the kinds of investments Stetson needs for its future. But such investments cannot be maximized under the current budgetary and strategic model.

It is the purpose of this document to analyze our budget and strategic plan to capitalize more effectively on the investments of our students in terms of tuition and our generous donors and hundreds of alumni. We believe that the large gifts from the Brown family should be understood as investments in supporting the work of a talented faculty and students, not toward enabling unnecessarily aggressive undergraduate enrollment growth, administrative expansion, and DI athletics. It is our view that the aggressive enrollment strategy is made possible largely by relying on more unprepared and/or financially-strapped students and contingent faculty, who can't take full advantage of the opportunities such grants provide. Therefore, we want to make sure that the generous gifts of our alumni and board members are used to enhance the academic quality of the institution, not pursue a growth strategy that necessarily diminishes our academic rigor and reputation.

The faculty have a reasonable concern that this gift may be misapplied: the generous gift of $10 million from the Brown family in 2014 that produces a yearly budget of nearly half a million dollars to fund the Brown Center for Faculty Innovation and Excellence, spent—from 2013-2017—almost 26% of the total budget on *administrative* salaries (which is about the amount spent on Brown Visiting Fellows).[1] We need to emphasize academic quality and fiduciary responsibility at a time when competing for students and hence tuition, financial survival, and academic quality is increasingly difficult across the nation.[2]

This document provides a faculty perspective on the challenges and obstacles that Stetson may face in an uncertain future. We want to put Stetson on the right footing by assessing our commitments to non-academics. We want to make good on the valuable dollars that our students, alumni, and Board of Trustees put in our academic mission.

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[1] Estimates from internal budget data. For example, below is the budget for all academic affairs summer grants expenditures. With the Brown Center budget of nearly half a million dollars, the faculty summer grants expenditures could nearly be *quadrupled*.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Faculty Summer Research Grant Budget	76,500	76,500	96,200	100,000	86,900	97,500	97,500	115,000	120,000	130,000

[2]https://www.insidehighered.com/admissions/article/2018/01/08/new-book-argues-most-colleges-are-about-face-significant-decline

BACKGROUND

THE STRATEGIC PLAN(S), 2009-2017

Except for increased adjunct pay, few of the recommendations in the Budget Reallocation document have been pursued. The shared governance reform remains in an indeterminate state. Meanwhile, the worrisome trends of the years 2009-2014––including a repeated failure to meet retention and graduation goals, an unsustainable discount rate, declining student quality when measured by real SAT scores, millions in new revenues spent disproportionately on athletics and administration, and continued decline in student satisfaction—have continued into the final year of our current five-year strategic plan (2018-2019).

Stetson is struggling to meet its high and growing enrollment targets or afford raises for faculty and staff (much less additional salary pools to keep pace with peers). Tenure track lines have not kept up with student growth, as seen by the increasing student to faculty ratio. Department budgets and research monies lie stagnant.[3] The primary strategy on the horizon appears to be more of the same:

1) An attempt to double down on more enrollment growth, fueled in part by the additional dilution of academic quality (e.g., AP 3 policy and increases in classes taught by contingent faculty); and

2) Add more "revenue-generating" programs that neither generate sufficient new revenue nor utilize scarce resources efficiently, combined with equally unnecessary plans for large-scale restructuring and expansion that has only diluted Stetson's resources and undermined its academic quality and structural coherence in past years.

This is a highly questionable strategy, especially in the face of *internal* data that shows we're losing more quality students than we did before 2011, which students blame on a decline in Stetson's value proposition (academic quality).[4]

When Stetson's strategic plan was announced in 2009, some faculty were hopeful while many remained skeptical. Virtually everyone agreed that Stetson, which had dropped to barely 2,000 students in the wake of the global financial crisis, needed to grow undergraduate enrollment to survive, perhaps to 2,500 or so. But a target of 3,000 students, fueled by SAT-optional admissions, was a risky bet. Concerns were raised about national and regional demographic trends, which suggested that fewer students would be able or willing to pay for a selective, private school education.

Other faculty voiced concerns that we would inevitably sacrifice academic quality (lower student selectivity, lower faculty to student ratio, higher percentage of contingent faculty, etc.) to achieve such rapid enrollment growth. Still others expressed

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[3] In a recent "College Connection" message from the Dean of the Arts and Sciences, our faculty travel budget for the AY 2018-2019 has been decreased. This will significantly hurt our academic reputation, as conference participation is a major factor in academic development. For example, below are the reported total "faculty travel" expenses from 2014-2017 (primarily to attend academic conferences) and the reported travel expenses for *only* the football team.

	2014	2015	2016	2017
Faculty Travel Budget	205,419	264,070	268,133	281,119
Football Travel	221,419	271,463	270,540	332,496

[4] There has been a lot of talk about Stetson's "value proposition." It is our opinion that we should pursue a model of academic excellence in a small, private university devoted to liberal learning and high-quality professional education. This model would allow us to mirror other premier private institutions across the country, which, since it is missing in Florida, would set us apart from our liberal arts competitors—like Rollins and Flagler—who lack our comprehensiveness, but also from larger, less expensive, often less rigorous institutions that offer many more programs than we could ever reasonably offer (e.g. UCF). By pursuing this value-level our proposition is that we emphasize our academic value and rigor, which is like other institutions but better. This will eventually allow us to leverage our distinctive academic reputation into higher tuition revenues. This also allows us to pursue a value proposition market that is generally missing in Florida, and will be important nationally moving forward. According to one recent article, with the projected shifts in higher education, the most prudent step for most colleges like Stetson is not to grow—because there will be relatively fewer students applying to college in the next decades—but to stabilize or even shrink. Given that education is becoming more and more expensive, increased value propositions are important for smaller schools to win students over from their larger, public competitors (who offer cheaper, though less rigorous degrees).

consternation that we weren't seriously reexamining our commitment to Division I (DI) athletics, which already cost nearly three times as much as a typical DIII program, but instead were pursuing a multi-million dollar "athletic enhancement program," which at the time the Faculty Senate voted unanimously against.[5]

Stetson's administration responded to these concerns by promising that increased enrollment would bring better retention, higher graduation rates, and a "bigger budgetary pie," the majority of which would be directed toward enhancing mission-driven academic excellence, including faculty compensation, tenure-track hiring, faculty and undergraduate research support, etc. While it is the case that the operating budget has grown considerably since 2010, not all pieces of the budgetary pie have grown equally.

By 2014, some important gains had been made in faculty compensation and dozens of new tenure-track (TT) faculty had begun to arrive (many, it should be noted, replacing lines lost or never filled in the "budget stabilization" of the early 2000s and market crash of 2007-2008). But the longer-term trends were worrisome. Between 2009 and 2014, millions in new net revenues had been spent disproportionately, not on new TT faculty or compensation, but on DI athletics and administration. Even with the growth in adjunct and TT faculty, the important faculty-student ratio had declined significantly (from 10:1 to 13:1), class sizes had increased, and the proportion of classes taught by contingent faculty was greater than at any point in recent history. Meanwhile, first year discount rates had increased in 2014. Further, retention and graduation rates had not improved, despite expenditures on athletics, administration, and student services—all of which had as an explicit goal increasing retention.

These worrisome trends were compounded by the fact that, in comparison to 2011, students had become much less satisfied with the quality of academics, which they continued to rate as the most important factor in their desire to attend and remain at Stetson.

In response to these alarming trends, the Faculty Senate, in concert with a number of other faculty committees and administrators, put together a very deliberate, well-substantiated **Budget Reallocation Document** which was approved by the Faculty Senate in January 2015. The document urged the administration to rethink Stetson's strategic plan and budgetary allocations, redirecting resources back toward academics instead of athletics and administration. At the same time, the Faculty Senate, cognizant of the fact that the existing governance structure had not facilitated sufficient faculty involvement in strategic decision-making, embarked on a painstaking but ultimately successful **Shared Governance Reform**, which was approved by the university faculty in spring 2016 and forwarded to the President for implementation. (As of 2019, the President formally rejected the faculty's proposal.)

THE 2018 MEETINGS

Given the critical situation, the Faculty Senate discussed sponsoring a series of workshops to talk through these challenges, to diagnose the problems and develop some potential solutions. In the Senate's January 2018 meeting, considering the student satisfaction data and the faculty satisfaction data, it was recommended that the Faculty Senate pursue a series of informational meetings about various topics for faculty, and the Chair of the Senate Committee on Academic Affairs and the Chair of the Welfare Committee agreed to sponsor these faculty meetings. The Chairs of these Senate committees agreed to have three comprehensive Friday meetings over the next six weeks on retention and student satisfaction, Stetson's athletics commitment, and the first-year experience, including other issues related to CLaSS and campus life.

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[5] As we will show below, the problem is not *football per se,* despite its immense start-up costs and the uneven quality of the players it recruits (see below), because football currently operates similar to the Division II/III model we are recommending. Instead, the problem with Division I athletics is the 100 full scholarships (nearly 6 million dollars per year) and the continually increasing operating costs (nearly 12 million dollars per year). A vibrant athletics program provides much to the university experience. However, our athletics program is so expensive that it is *detracting from that experience* and putting Stetson on shaky financial ground.

BACKGROUND

The first meeting would be a continued discussion of the student satisfaction data and retention. That meeting was held on January 26th. A follow up email, sent by the secretary of the Senate on behalf of the Chair of the Senate Committee on Faculty Welfare, had a retention document that faculty at the January talk requested. This simple retention document was not a formal proposal by the Faculty Senate, but a data report generated organically from the conversations of our faculty in the meeting.

The second meeting, held on Friday, February 9th, was about the financial and academic costs and benefits of the athletics program. This meeting stems from many conversations among faculty senators, various faculty committee members, and the previous work on faculty and student satisfaction. This was an opportunity for many faculty to become more engaged with a significant factor in the University's broader vision.

Finally, the third meeting, held on Friday February 23rd, was about the first-year experience. In this meeting we discussed the First-Year Experience: FSEMs, FOCUS and the other efforts we undertake as a university to inculcate our incoming students into both campus life and academic life. A simple question drove the discussion: is what we're doing working? Student satisfaction surveys and various data on faculty attitudes indicate that these "transitions" programs were not adequately preparing our students for the classroom, nor were they helping to keep them enrolled in the University. Much of the discussion centered on the next Quality Enhancement Plan (QEP).

Many faculty members from all schools and the library attended these meetings.

THIS REPORT

In the February Senate meeting, we pledged to produce a preliminary report of our data and the discussions we had among colleagues. This report stems from those conversations, and was edited and approved—without dissent—by the Faculty Senate in spring 2018. This report sets out a vision of the value proposition of a Stetson education from a faculty perspective, derived from our Friday talks and from discussions amongst our Senate representatives. In light of the Faculty Senate Summer Survey conducted in 2018, we have added a ten-point plan, consistent with the thrust of this document, to the original version passed by the Senate in spring 2018. This "new" document has been approved again by the Senate.

This report is divided into eight sections. The first section outlines the initial data from the faculty and student satisfaction reports that prompted the Friday discussions among colleagues. The second section outlines the logic of Stetson's growth model, which has included significant expenditures in non-academic projects and departments—like Campus Life and Student Success (CLaSS) and athletics. The third section outlines the general argument against continuing to increase undergraduate enrollments, decrease our academic reputation, expand the athletics program and administrative apparatus, and further pursue high-risk low-reward non-traditional revenue streams. Instead, we argue for reinvesting in the value proposition of Stetson University: academic excellence. The next three sections of the report are summaries and interpretations of the data on retention, athletics, and the first-year experience. The final section of this document outlines the next steps we will take with this information.

The data in this report are drawn from various publicly available documents (e.g., tax returns, compliance filings, etc.), previous Senate and committee reports and data, and other data made available through the dashboards on PowerBI.

The conclusions drawn from the meetings and the data were clear:

1. Reduce the number of students we need by ratcheting back athletic and administrative expenditures;
2. Put those subsequent savings into our academic programs, particularly reallocating the athletic scholarships (about $6 million) back into recruiting academically strong students;
3. Increase the percentage of full-time, tenure-track faculty supported; and put academics back at the center of the university mission and budgets (spending on staff/administration/coaches is now *twice* our spending on teaching faculty);

4. Re-enhance the academic character of the first-year experience and eventually the entire curriculum, by re-evaluating the impact of various programs and initiatives that stem from our QEP, specifically by providing faculty oversight and collaboration in CLaSS operations.

Since the first iteration of this document, we have made some more detailed recommendations, which follow from these four basic strategies, at the end of the report.

AFTER THIS REPORT

This report was discussed and presented at the Faculty Senate in March. The report was then distributed to the faculty body for broader discussion and input.

Finally, in the April Faculty Senate meeting, **the Senate approved this document without dissent,** and recommended it be sent to the Board of Trustees (once it was vetted by the President and her cabinet), which met the following May. Nearly eight months later, in December of 2018, Provost Painter said that the May document has not been vetted by the President or her cabinet (though he had read it numerous times) because it was not considered "official."

In January of 2019, the Senate reevaluated the May document, made some revisions for clarity and timeliness. The Senate voted again in January to send the document—officially—to the President (and her cabinet), with the hope that she would include it in the information sent to Board of Trustees for their May 2019 meeting. We await the President's comments.

The Faculty Senate Summer Survey

While the Friday Group Report did not get distributed to the Board of Trustees at the meeting in May 2018, the Faculty Senate has remained committed to revising it and making it more readable and as up-to-date as possible. Over the summer of 2018, the Faculty Senate sent out an online survey asking for the faculty to weigh in on a number of important issues facing the university in the upcoming academic year. One of the issues the Senate wanted faculty to address was their opinions on the Friday Group Report. While there were nearly 130 individual responses, they can be categorized into two groups:

1. Overwhelming support for the Report and a strong belief that the Board of Trustees see this report as soon as possible;
2. A concern that many of the recommendations be made more explicit and more positive.

The faculty also suggested that the Faculty Senate pursue the goals of discussing faculty compensation and benefits, budget transparency, and shared governance. Since all three of those goals are related, and the core of the Senate's view on these matters can be found in this report, the Faculty Senate has decided to pursue the available avenues to get this Report in the hands of the Board of Trustees as quickly as possible. In the meantime, the Senate has updated this document to include the most recent (Fall 2017) cohort data, and to include a "Ten Point Plan," which is at the end of the document. Additionally, the Faculty Senate has worked collaboratively with the Office of Institutional Research to revise the current retention model. The main findings of that report are presented below.

William Nylen,
Department of Political Science
Chair, Faculty Senate Welfare Committee

Kimberly Reiter,
Department of History
Current Chair of the Faculty Senate
Former Chair, Faculty Senate Academic Affairs Committee
2017-2018

Faculty and Student Satisfaction

While there are many things that both students and faculty appreciate about the Stetson experience, this document is to provide clarity and context to the numerous areas where there is noticeable and consequential dissatisfaction and/or long-running disagreement about strategy and resource distribution. In particular, for both the students and faculty, dissatisfaction stems from Stetson's continued failure to live up to the bar of being a well-governed, mission-driven liberal arts-based university—the first of its kind in Florida. In the following sections, we will outline both faculty and student dissatisfaction with the academic value of the University.

FACULTY DISSATISFACTION

Shared Governance

While there are many interpretations of shared governance in University governance, the simple point is this from the American Association of University Professors: "faculty, administrators, and trustees share responsibility" on important University decisions.[6] **Faculty governance** centers on the curriculum and other educational activities in the University, but it plays an important role in non-curricular areas like the University budget, assessing campus life initiatives, and overseeing the athletics program. These areas constitute the realm of **shared governance**—effectively where the administration and faculty meet in various committees and taskforces to discuss policies, programs, and other processes related to the functioning of the University. Shared governance is a hallmark of a healthy liberal arts university. The powers are delegated by the Board of Trustees to various campus constituencies who share them.

> *"Effective shared governance more often takes the form of a systems approach, one in which faculty, board members, and administrators actively engage to share responsibility for identifying and pursuing an aligned set of mission-driven sustainable outcomes and priorities."7*

In the most recent Faculty Satisfaction Survey, one area was repeatedly rated as a concern from faculty respondents: communication between faculty and administration, or, for our purposes, "shared governance."[8] As the recent document sent by the Faculty Senate Chair to the Board of Trustees indicates, the dissatisfaction with shared governance at Stetson has been a longstanding one. Indeed, the remedy approved by the Faculty Senate and the whole faculty body in 2016—a shared governance proposal—remains in stasis.

Shared Data

From the faculty's perspective, however, the problem is about communication in a more concrete way. Coupled with the overall dissatisfaction with service as well as teaching workload, faculty are dissatisfied with the lines of communication between faculty and administration (and the Board). The problem is an asymmetry not only in terms of power to decide policy—which is rarely seen as collaborative between faculty and administrators—but also regarding information. According to the faculty survey, the faculty were consistently dissatisfied with the lack of open communication between faculty and the administration, the lack of trust between the different governing bodies, and the sense that faculty were not involved in important decisions. Chief among these dissatisfactions with shared governance was the notion that faculty are kept in the dark at times, or that they are unable to properly see the issue at hand. The Faculty Senate proposed the Friday group conversations among colleagues as a potential

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[6] http://www.aaup.org/AAUP/about/mission/glossary.htm, "shared governance."

[7] https://www.agb.org/blog/2015/12/22/what-is-shared-governance

[8] Since May 2018, the Senate has produced another Senate Faculty survey which is available through your Senator. This survey, too, had as the most important items of faculty concern shared governance and transparency.

remedy to the problem of asymmetrical information and data. This report is intended to be a cornerstone for understanding the university-level data and strategies we are pursuing, to help faculty better understand the whole picture.

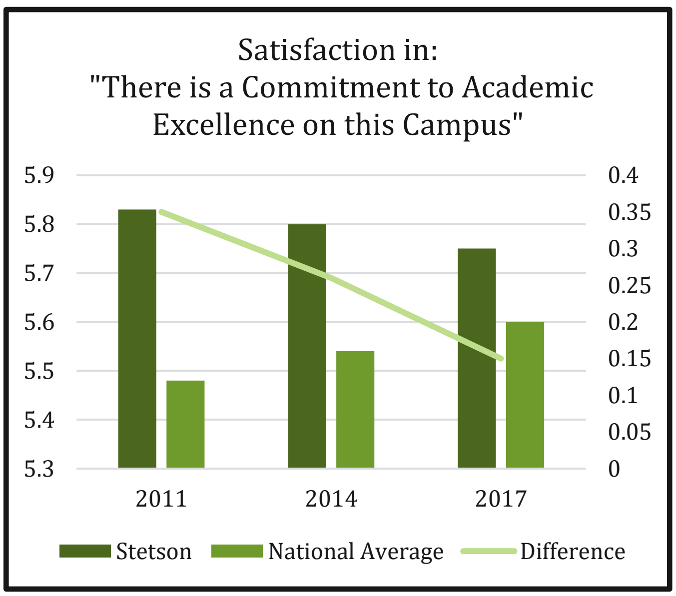
STUDENT DISSATISFACTION

Retention

There has been a lot of discussion about Stetson's retention rate. Retention is the Fall-to-Fall enrollment rate for first time in college (FTIC) students. In her "Address on Inclusion, Retention and Persistence," presented to the faculty in February 2017, President Dr. Wendy Libby said that retention has always been at the center of discussion at Stetson, where retention is continually below that of our operational peer institutions. In 2016-2017 that rate was about 79%, while our peers are often around 85%.

Retention does not merely track our University's revenue for that year, but it is also related to brand and reputation—important ingredients for any private liberal arts institution competing for students in a volatile higher education marketplace. In fact, as Dr. Libby noted, one of the major benefits to retention rates is movement in the U.S. News and World Report rankings, which is influenced by retention rates, and influences many students and their families in their enrollment decision.[9]

The University has spent considerable time, money, and energy in trying to understand the retention problem. One major finding in 2015 was that many of the students that left Stetson can earn good grades and afford their tuition. The problem is "that somewhere in what we are doing within our environment, students are choosing not to stay." Had half of those 2015 students stayed at Stetson, Dr. Libby reports that our retention rate would be 83%, which "translates into higher graduation rates, higher satisfaction with Stetson, higher loyalty to their alma mater in the future, more successful alumni networking with graduating students, and bringing talents that enhance Stetson's success."[10]



Academics, Not Athletics

So, why are good students who can afford to stay at Stetson leaving, what is it about our environment that is driving good students away? According to an analysis by the Faculty Senate, drawing from a 2017 student satisfaction survey of about 500 Stetson students, one major predictor of students staying from Fall to Fall was satisfaction with "There is a commitment to academic excellence on campus."[11] The simple graph to the left shows Stetson's *statistically significant decline* over the last six years. From 2011 to 2017, the average satisfaction in that item has declined .2 points (on a 1 [very dissatisfied]-7 [very satisfied] scale), while the national average has

[9] Predictably, and despite millions in new expenditures, by Stetson favoring athletic and administrative expansion over academics since 2009, retention has not improved, and its U.S. News ranking has dropped three spots.

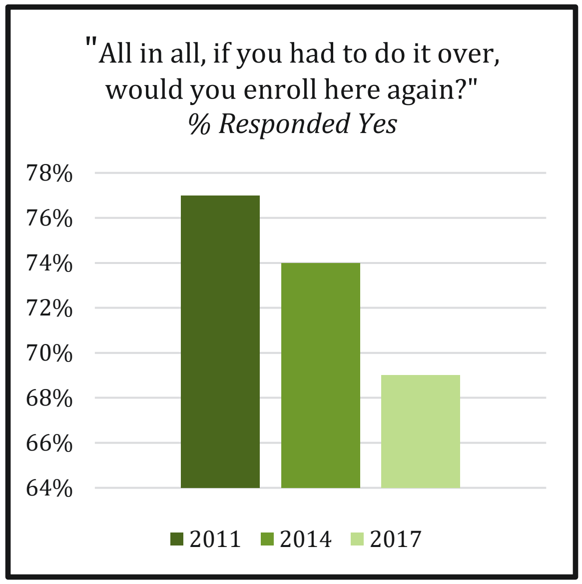
[10] Transcript and video of Dr. Wendy Libby's address to the faculty is available online: http://www.stetson.edu/other/many-one/updates.php, "President Wendy B. Libby, Ph.D., Remarks at the General Faculty Meeting - Friday, February 24, 2017, at Lee Chapel."

[11] The 2017 survey, initiated through Stetson's Campus Life and Student Success, had nearly equal distribution of first through fourth year students, which is great. About 14% of Stetson's student body are student-athletes. In the survey, only about 8% of the respondents were athletes. Though this may raise some questions, it is important to note that *athletes were more dissatisfied with academic quality* than non-athlete peers. This provides us the evidence that this is *not* a student-athlete vs. non-athlete divide, but a campus-wide issue.

increased .12 points. In other words, Stetson has *significantly* dropped satisfaction in one of the most important indicators for student retention compared to the national average, over the last six years.

Both the students and the faculty at Stetson see a diminished commitment to academic excellence and academic quality, which has significant effects on several important things like retention and overall satisfaction. Indeed, in the same 2017 student satisfaction survey, over the last six years, students are increasingly dissatisfied with the overall experience at Stetson, they believe that Stetson has not met their expectations, and—if they had the power to do it over—would not enroll at Stetson again.

During the six-year period from 2011-2017, on a scale from 1 (very unimportant) to 7 (very important), Stetson students consistently rated academics as the most important. Of the 73 shared items across the six years, in 2017, the most important items were "content of the courses within my major is valuable" (6.62), "instruction in my major field is excellent" (6.58), and "I am able to experience intellectual growth here" (6.51) among others. The academic experience at Stetson is still very important for our students, above all else. Of the items that were *least* important was the opportunity to play sports as a factor in decision to enroll (3.79). While Stetson has increased the number of athletes on its campus, Stetson students are generally dissatisfied with the way that intercollegiate athletics contributes to school reputation.



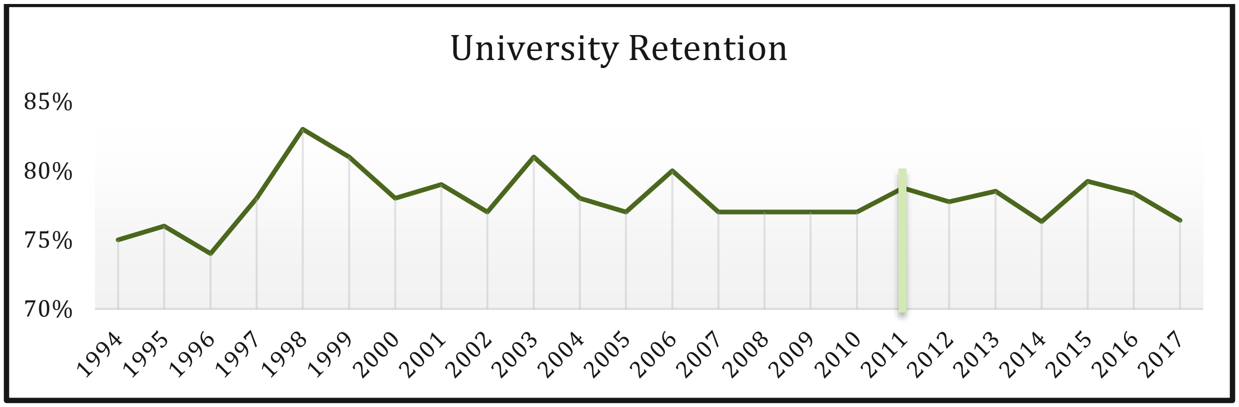
There are potentially many reasons why Stetson students think athletics are unimportant and do not contribute to a sense of school spirit, but perhaps the most obvious one is simply this: the most important aspects of Stetson, according to the students are the academics, not athletics. Indeed, our own internal student satisfaction data and national recruiting data both suggest that among the dozens of reasons students choose a small, private liberal arts universities, a desire to watch DI athletics ranks near the bottom. And yet, Stetson has invested a considerable amount of money in intercollegiate athletics.

First Year Experiences

Stetson students were also largely dissatisfied with many of the programs that we have heavily invested in since Stetson adopted its "Transitions" Quality Enhancement Plan (QEP) in 2011. A QEP was required by SACS for our continued accreditation. A QEP is a 10-year plan.

The QEP topic, Transitions, represents campus-wide recognition that students have difficulty transitioning into and through their collegiate experience. Transitions resulted from broad-based involvement of campus constituencies committed to helping students in ways that provide the greatest likelihood of developing close, supportive mentoring relationships between faculty, staff, and students oriented to defining personalized pathways for student success.

The theme of "Transitions" was designed to increase retention by easing and supporting their transition into college at Stetson. As a part of that QEP, we have significantly expanded Campus Life and Student Success (CLaSS) programming and the First Year/Junior Seminar program. As a part of the 5th year review, we must assess our progress in achieving our goals, as set out in the QEP. Aside from students using more academic services (and the millions over the years we have spent providing them), there has been little return on our investment, and at times a negative result. The simplest way to assess the overall outcome of our QEP is to examine retention rates from pre-2011 and post-2011 (the green vertical line in the figure below).



This figure shows the retention rates from 1994-2017
(data available on PowerBI, previous Fact Books, and internal Data from the Office of Institutional Research).

As the figure above shows, the retention rate at Stetson has remained stable from 1994-2016. Even though we have invested millions of dollars into a ballooning CLaSS program, which was directly charged with increasing retention through transitional programming, there has been no increase in retention (and, in 2017-2018, a *decline*).

Indeed, as the recent 5-year document published by the Provost says, of the (non)effect of "Hatter Quest":

> *"There is no difference in the average persistence to second semester rates before and after implementation of Hatter Quest (92.5%), and very little difference in retention to second year at 77.8% and 78.2%, respectively. The flat persistence rates, despite the positive grade gains, prompted several strategic changes to intentionally build a culture of assessment at Stetson University."*[12]

The document also found little support for increased retention rates across the board, and decreased satisfaction in services (even though students are now attending them more, and we have invested heavily in these resources).

However, rather than focusing on assessment of the various programming, we should revisit the premise of investing in transitional programming like FOCUS—the first-year orientation program—or Hatter Trek, Hatter Quest, or campus vibrancy more generally—"intentionally build a culture of assessment at Stetson University."

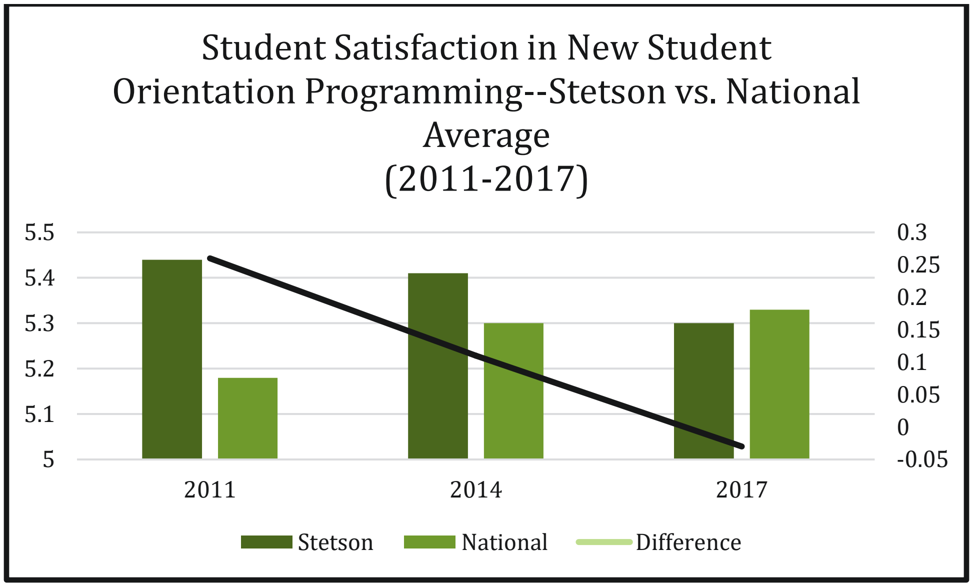
Students Don't Like FOCUS

Another way to assess our QEP is through student satisfaction. As part of implementing our QEP in 2011, Stetson consciously changed the way we orient incoming first-year students. We expanded the programming, and increased the amount of non-academic transition activities. Since student satisfaction is an important indicator for retention, by assessing the overall satisfaction in first year programming, we have another indirect measure our return on investment in CLaSS.

In the 5th year review of the QEP, Stetson reports two questions from the Student Satisfaction Inventory referenced above: do academic support services adequately meet the needs of students; if you had to do it all over, would you enroll here again? For both questions, our students from 2011 to 2017 reported less satisfaction. In other words, compared to the pre-2011 expansion

[12] Outcome 7 (Goal 2).

of CLaSS and the FSEM/JSEM program, our students are less satisfied now. Not reported in our 5th year review, is the question that directly asks about the first-year orientation program: New student orientation services help students adjust to college. We provide this information in the graph below.



This item has dropped nearly half a point compared to the national average (which has increased .15). Students are overwhelmingly dissatisfied with our new transition programs, which are largely non-academic and run by CLaSS staff. This graph above shows the average rating (1-7) of student satisfaction in the first-year orientation program, central to our QEP and the main motivation for the continued expansion of non-academic programs like CLaSS. This chart shows the difference in Stetson's average (dark green) versus the national average (light green). The difference between these two is charted by the black line, which follows the right-hand axis. The main interpretation of this graph is that, contrary to our multi-million-dollar investment in helping students transition, our students are not only *less* satisfied with the first-year orientation programming, but the national average (which we were significantly better than in 2011) has grown since 2017 to actually surpass Stetson's average score.

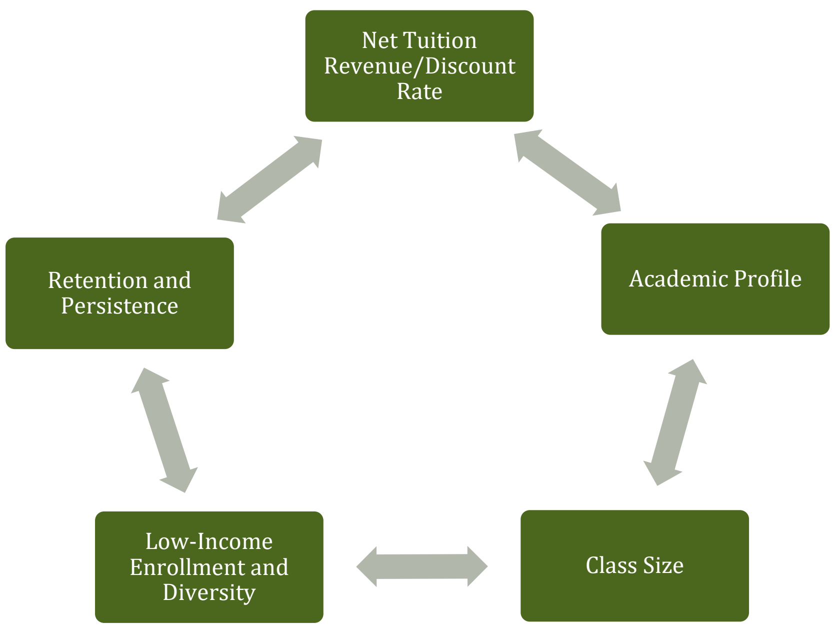
Stetson's Strategic Plan: The Administrative Perspective

THE VALUE CHOICES AND TRADE-OFFS FACING STETSON UNIVERSITY

In the age of hyper-competitive higher-education markets, getting students to enroll for most colleges requires a concerted effort from a number of constituencies across campus. And, because of the competitiveness of the market, no university can be everything all at once. Therefore, universities—especially those like Stetson—must be unusually deliberate about what strategies to pursue over the long term. The best way to address these questions is through analyzing the potential trade-offs and scenarios available, and choosing the one that best fits with Stetson's academic mission and the financial demands at the time. Below, we will outline some of the potential trade-offs and consequences of one choice over another. The point is to be as explicit in uncovering and then analyzing the assumptions of many of the decisions Stetson has made over the last decade or so.

The Trade-Offs

As any admissions or enrollment manager will say, there are essentially five trade-offs and consequences that we must always juggle when making large, university-wide decisions. To better understand these major trade-offs, we have presented a simple chart below (made available to the Senate through the Admissions Committee).



This chart is a helpful way to understand the decisions that a University can make, and the expected consequences of that decision.

Stetson's Strategic Plan

By way of an example, let us analyze Stetson's recent priorities through this chart. Stetson has elected to focus on increasing class size, thereby increasing the net tuition revenue of the University. In order to increase the class size of the university, that necessarily means that—at least according to the general logic of enrollment and growth management—some things are directly affected: hopefully, low-income and diversity enrollment grows proportionately with the overall increase, the retention and persistence rate remains the same, net tuition increases, and the academic profile remains unchanged—the University just has more students. This is seen to be a very conservative strategy as it does not impact many things necessarily negatively, but increases net tuition, which is a good thing.

While we certainly have increased the student body and the incoming class sizes at Stetson, we have done so in a way that has necessarily hurt almost every one of these values: our retention rates are down, our tuition revenue last year (even though we brought in more students) is down, and our academic profile and reputation has fallen over the course of this decade-long strategy. Why has this happened? Because we leveraged our academic programming and status as a small, liberal arts university with strong professional schools to get more and more athletes, increase athletic expenditures, and expanding non-academic programming to offset these loses (which has failed, as per the Provost's evaluation of the progress on our QEP and CLaSS below).

ATHLETICS

Prior to the current administration, which came in at the height of the 2008 financial crisis, enrollments were well below the typical 2200 to 2300 that Stetson had averaged over the previous decade. Since Stetson is a tuition-driven institution, low enrollment poses a serious financial threat to the institution. Therefore, the main objective for the new administration was to grow the institution to a number that would allow it to secure financial stability. For the previous administration, this target number had been 2500-2700. For the new administration, the goal was a Fall census of 3,000 students.

Although some modest efforts were made to enhance academic quality, the primary focus among the initiatives to expand undergraduate enrollment was the athletic enhancement initiative. Under this plan, Stetson would be able to meet its enrollment numbers by leveraging its Division I athletic program status into more student-athletes who would like to play competitive sports in a small liberal arts environment. In 2012-2013, we added over 100 male student-athletes alone by adding a (non-scholarship) football program, and dozens of other students through matching investments in other sports—like women's beach volleyball and lacrosse.

> *"Our annual football operating budget will be covered by 100 students who play football and create enough of a revenue stream from all of the revenue sources that they will not only pay for the operation of football and women's lacrosse, but will also have a net gain for the institution of roughly a million dollars. The non-scholarship portion of the plan gives us a revenue stream from which to operate the program." –Jeff Altier*[13]

The rationale for football and the other non- or minimal scholarship athletic programs was not simply to increase enrollment numbers. These football and lacrosse students would be a particular type of student: good students who would increase academic quality, retain at higher rate than the typical non-student athlete, and return identical net tuition revenue. Not only would expanding to football add over 100 football players immediately to our incoming classes, but there would be an indirect effect: students who want to watch college football.

> *"The decision really came down to it being part of our overall strategy to increase the size of our undergraduate student body.* ***The research we saw said that for every football player who joined the university, another roughly 1.8 students come along just because they want to be at a school that has football.*** *Whether they play it or go see it, it didn't matter."—Wendy Libby*[14]

So, growing our student body through leveraging our athletics program was the centerpiece of our enrollment strategy. And, not only would these programs bring in more students than simply the athletes playing the sports, they would also be an important marketing tool to bring in even more students. All of this would ultimately be paid for by increased athlete tuition, which would be so profitable that it would contribute to non-athletic programs, too.

Once we reached 3,000 students, fueled by non-scholarship football, lacrosse and other athletic initiatives, we would be back to full enrollment and making a profit.

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[13] http://www.collegefootballpoll.com/news/colleges-continue-to-add-football-teams/

[14] http://www.news-journalonline.com/sports/20160726/wendy-libby-mother-of-stetson-football-readies-for-fourth-season

With the exception of fully non-scholarship Club Sports, whose athletes retain at higher than average rates, neither football, nor lacrosse, nor any other aspect of the athletic enhancement plan has realized its goals. Indeed, the success of Club sports, (per below) which cost virtually nothing, yet realize all the retention and revenue goals we claim can only be realized by Division One, put the inadequacies of the athletic enhancement initiative and Division One Scholarship athletics in stark relief.

Club Sports Retention[15]	
Fall 2011 Cohort	
All new FTIC	78.7%
FTIC - Club Sports	89.9%
Fall 2012 Cohort	
All new FTIC	77.9%
FTIC - Club Sports	84.7%
Fall 2015 Cohort	
All new FTIC	79.1%
FTIC - Club Sports	84.3%

THE RETENTION PROBLEM: PRIVELGING ATHLETICS OVER ACADEMICS

In the years that followed, the enrollment numbers were increasing but the retention and reputation of Stetson was on the decline or stagnant, the discount rate was rising, and the net revenue was consequently not at the level initially envisioned in the 2009-2010 strategic plan. Because of our persistent retention problem—which is about 5 percentage points below our peers with similar endowments, enrollments, and structure—the administration has once again suggested that we simply add more students to meet our enrollment mark. From 3,000 to at least 3,200 or even 3,500, because too many students are leaving the University sometime in the first or second year. This of course makes enhancing academic quality and retention even more difficult.

But rather than address the retention problem by (re)prioritizing academic quality (recruiting and investing in the best possible students taught by the best possible faculty supported by the best possible resources, which all national and internal data suggest produce the best retention and graduation rates), the chief strategy to improve retention was to create a large administrative staff apparatus focused on retention (CLaSS). The new increased spending on non-academics, particularly in the administration and CLaSS was in line with our "transitions" QEP: we would now hire staff members explicitly to help students retain better, so we could afford the new expenses associated with our enrollment strategy.

In short, growing problems in meeting our targeted retention rate, graduation rate, discounting rate, academic quality, and net revenue created by a strategy of favoring athletic expansion over academic enhancement, fueled by unnecessarily aggressive enrollment growth, was ostensibly to be fixed by expending disproportionately more resources on non-academic administration and staff (Academic Affairs and CLaSS). Predictably, this solution, which merely exacerbated the existing strategic and budgetary challenges, hasn't worked.

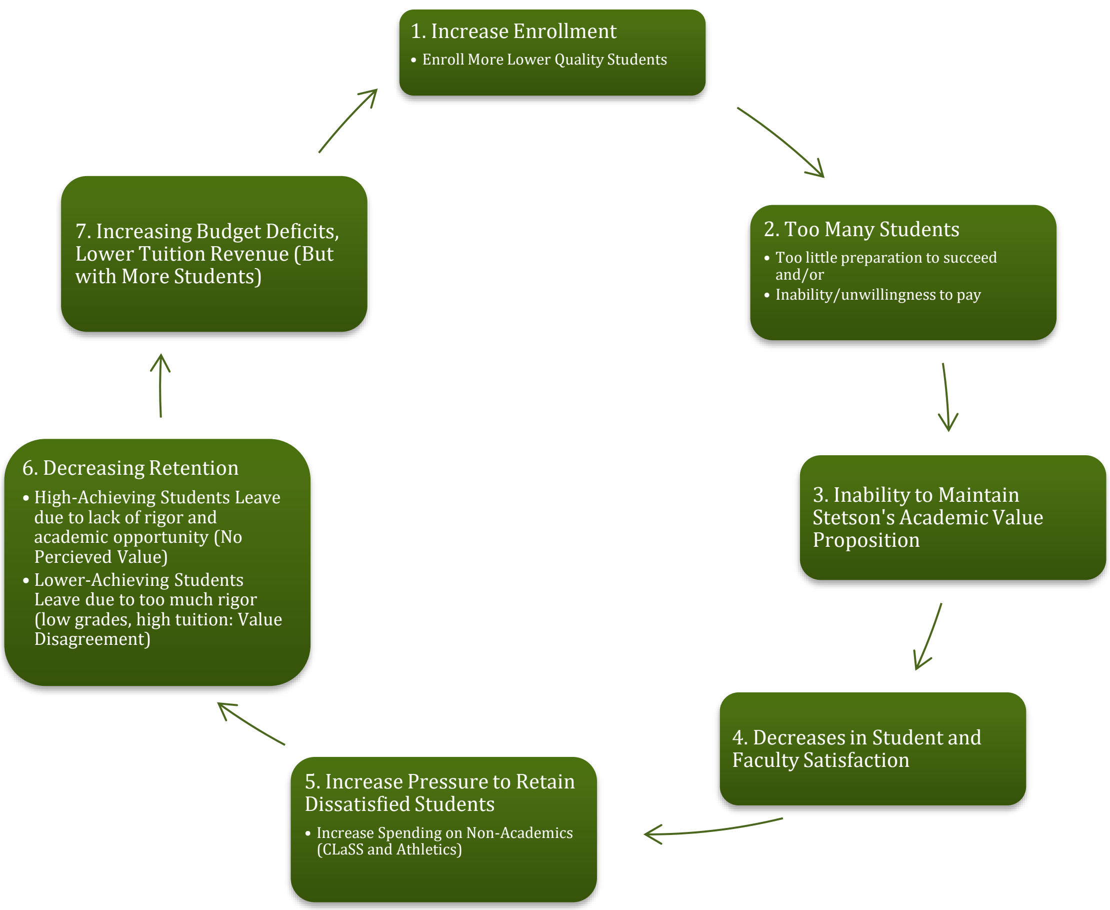
[15] Courtesy of Institutional Research.

Restoring Stetson's Academic Excellence: A Faculty Perspective

A CRITIQUE OF OUR CURRENT STRATEGIC PLAN

The general logic of our enrollment plan has been to increase student enrollment. But what if this is the wrong idea entirely?

The initial hope of our strategic plan was to increase enrollment, expand athletics, meet our budget goals, increase retention, all while maintaining or increasing our academic reputation and increasing our value proposition as a liberal arts university. However, after nearly a decade on this path, we have come to realize this is simply not possible. Below is the cyclical logic that puts us on a path that necessarily produces student and faculty dissatisfaction, budget deficits, and diminished academic quality and reputation.



RETURN TO ACADEMIC EXCELLENCE

About 20% of the 2017 incoming class had a first term GPA below 2.0.

2.66% of the incoming class had a first term GPA of 0.00.

The current model is predicated on (6.) putting money into athletics, athletic scholarships, and multi-million-dollar staff initiatives (CLaSS) aimed at improving recruiting and retention (see, Transitions QEP and Athletic Enhancement Initiative). (2.) This requires us to bring in more students who are less prepared academically, but willing to pay. Since academic performance and satisfaction are important predictors for retention, (3.) we then have to dilute the FSEMs and overall academic program, farming out as many classes as possible to contingent faculty and staff, so we can basically inflate the grades of less prepared, less engaged, paying students.[16]

And, paradoxically, as we will see with the budget data, most of this increased tuition money has been spent to subsidize these high athletics/administrative costs--additional expenditures that do not provide a real financial or academic (mission-driven) return on investment, while mission-driven academic program expenditures, tenure track lines, compensation, and research/academic scholarship monies (for students and faculty) languish.

In the 2014 Budget Reallocation Document, the Faculty Senate argued that, in the near future, this model would be unable to replicate itself: we will not be able to bring in enough paying students to pay for the increased spending in non-essential, non-academic programming and personnel. According to the recent report by CFO Bob Huth to the University Faculty in April 2018, the University enrolled more students (above 3,000), yet, for the first time, actually made *less* money in tuition than the previous year. This is largely due to the high discount rates that we use in order to recruit students—offsetting the declining perception of Stetson's value as an expensive, selective liberal arts university. Our discount rate is currently about 62-64% for incoming first-year students, which puts us about *15 percentage points* above the national trend.[17]

Despite having to enroll many more students for whom schools like Daytona State and UCF rather than Rollins or Furman are their primary alternative, our students *still* see academic excellence and a rigorous environment as central to their vision of Stetson (although, again, the overall quality of our student body is shifting because of the aggressive enrollment strategy). Students have become increasingly dissatisfied with the academic character of Stetson. This state of affairs is worsened by the simple fact that students are overwhelmingly *dissatisfied* with the entire CLaSS apparatus that derived from the "transitions" QEP. **We leveraged our academic value proposition, the true core of student and faculty satisfaction, for something that didn't work.**

Rather than putting money in non-academics

- we should reduce the number of students we need by ratcheting back athletic and administrative expenditures;
- put those savings, particularly in athletic scholarships, back into recruiting academically strong students and into our academic resources;
- increase the percentage of full-time, TT faculty supported; and put academics back at the center of the university mission and budgets,
- Re-enhance the academic character of the first-year experience and eventually the entire curriculum in part through a re-evaluation of the impact of CLaSS.

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[16] According to the data gathered by the Core Learning Committee, over 40% of first year students from 2011-2016 received an A in their FSEM.

[17] https://www.insidehighered.com/news/2017/05/15/private-colleges-and-universities-increase-tuition-discounting-again-2016-17

Meeting One: Retention

Getting a handle on our expected retention rate is important for a number of reasons. Most simply, our retention rate is important for our financial future, since we are a tuition-driven institution. Our expected retention rate is therefore important as a benchmark for many of our policies and budgets. For example, many support staff positions in Campus Life and Student Success (CLaSS) are related to maintaining and increasing student satisfaction, ultimately to make students more comfortable on campus. More comfortable students may lead to higher retention. Additionally, our athletics program expanded under the understanding that it, too, would increase retention and contribute to the academic character of Stetson. The precise retention returns on the investments into these various offices and programs is not readily available.

THE SIX GROUPS OR FOUR?

The academic support staff at the Office of Institutional Research and Effectiveness have provided the faculty with shared data on retention from 2011-2016 through Power BI. They have divided every student in to six groups based on the likelihood that student will stay at Stetson. These estimates are the product of a student's discount rate, overall unmet financial need, and Florida origin—all variables that we know before a student sets foot on campus. Two other factors are important as retention indicators: first term GPA at Stetson and on-campus participation (e.g., Greek Life). These two factors are ones that can only be assessed after the Fall semester, though first term GPA is probably related to high school preparedness and standardized test scores—both of which are available during the admissions process.

Group	Expected Retention Rate (According to Office of Institutional Research and Effectiveness)
1	90-100%
2	80-89.9%
3	70-79.9%
4	60-69.9%
5	50-59.9%
6	Less than 50%

There has been significant confusion over whether there are six groups, as reported here, or four groups, as reported elsewhere. Simply put: in the data available through PowerBI there are *two* variables that sort the students into either four or six groups. While there are probably reasons for putting students into four categories ("Risk Groups"), we have opted to use the six groups "probability groups" because it is easier to interpret and because it is more refined than the four groups. For example, while our group 1 ranges from 90%-100%, the group 1 in the four groups ranges from 96.2% to 100%; our group 2 ranges from 80-89%, while group 2 in the four groups ranges from 77.7-96.1%. In other words, for simple descriptive purposes, it is better to have more groups than fewer.

THE GROWTH MODEL HURTS RETENTION

Below is a table that shows the actual distribution of students within each of the six groups, from 2011-2016. It shows not only the year, but the number of students retained (R), the number of students in that group that left (L) and the total number of students in that group (T). We have also included the retention rates (%) for each of the groups. In the total column, is that year's total students retained, the total that left, and the overall retention rate. Perhaps the most distressing development in this retention data is not simply that, even with millions of dollars spent on non-academic programs (like CLaSS and athletics) our retention rate has largely remained unchanged at 78%, but that the top groups have consistently declined from 2011 to 2016. Group 1 has declined nearly 5 percentage points since 2011, Group 2 over 9 percentage points. Considering that these are consistently the two largest groups in any given incoming class, the losses to these groups will have a considerable effect on the overall academic environment at Stetson, even if we have retained roughly the overall same number of students.

Year	Status	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Total
2011	**Retained**	135	209	116	51	26	26	563
	Left	8	19	20	16	10	79	152
	Total	143	228	136	67	36	105	715
	Retention Rate	94.41%	91.67%	85.29%	76.12%	72.22%	24.76%	78.74%
2012	**Retained**	167	281	117	32	16	23	636
	Left	20	45	44	18	19	36	182
	Total	187	326	161	50	35	59	818
	Retention Rate	89.30%	86.20%	72.67%	64.00%	45.71%	38.98%	77.75%
2013	**Retained**	170	283	128	55	18	15	669
	Left	17	56	30	15	12	53	183
	Total	187	339	158	70	30	68	852
	Retention Rate	90.91%	83.48%	81.01%	78.57%	60.00%	22.06%	78.52%
2014	**Retained**	193	234	100	44	10	9	590
	Left	18	42	41	20	13	49	183
	Total	211	276	141	64	23	58	773
	Retention Rate	91.47%	84.78%	70.92%	68.75%	43.48%	15.52%	76.33%
2015	**Retained**	265	308	104	49	31	21	778
	Left	25	58	32	17	18	54	204
	Total	290	366	136	66	49	75	982
	Retention Rate	91.38%	84.15%	76.47%	74.24%	63.27%	28.00%	79.23%
2016	**Retained**	205	238	103	31	25	32	634
	Left	23	52	22	20	14	44	175
	Total	228	290	125	51	39	76	809
	Retention Rate	89.91%	82.07%	82.40%	60.78%	64.10%	42.11%	78.37%

ONE ALTERNATIVE: MINIMIZE RISKY RETENTION STUDENTS, MAXIMIZE RETENTION IN GREAT STUDENTS

There is an ethical argument, voiced by many faculty, that bringing in students who we know are unlikely to succeed is disingenuous at best. It is unacceptable for our business model to leverage Stetson's short-term budgetary gains against some students' long-term debt when we do not have confidence that they will succeed here.[18] *There is a strong pairwise correlation between a student's CI and their eventual placement in one of these six risk groups: better CIs. the better the risk group.*

The second argument is simply this: our current growth model is a bad one in terms of retention and academic outcome. It is contradictory to expand growth while also striving to retain more students. If we want to increase our retention rate, which is important for a number of reasons, then we should stop enrolling students who are not only likely to leave, but also presumably take an increased toll on our resources (student services, etc.) while they are here. As is often pointed out, our exceptional students (high GPAs and test scores) are now leaving at alarming rates, and so are the students who we had good reason to believe prior to enrollment would struggle at Stetson.

[18] It was made clear to the Senate that there are multiple retention models used throughout the University by the administration—there is one produced by the Institutional Research office, one by the Finance office, one by the Campus Life office, and one by the Admissions office. At a minimum, the retention model used by Admissions produces estimates for each incoming student *before* they arrive on campus. So, minimally, it is possible to limit the risk early in the admissions process.

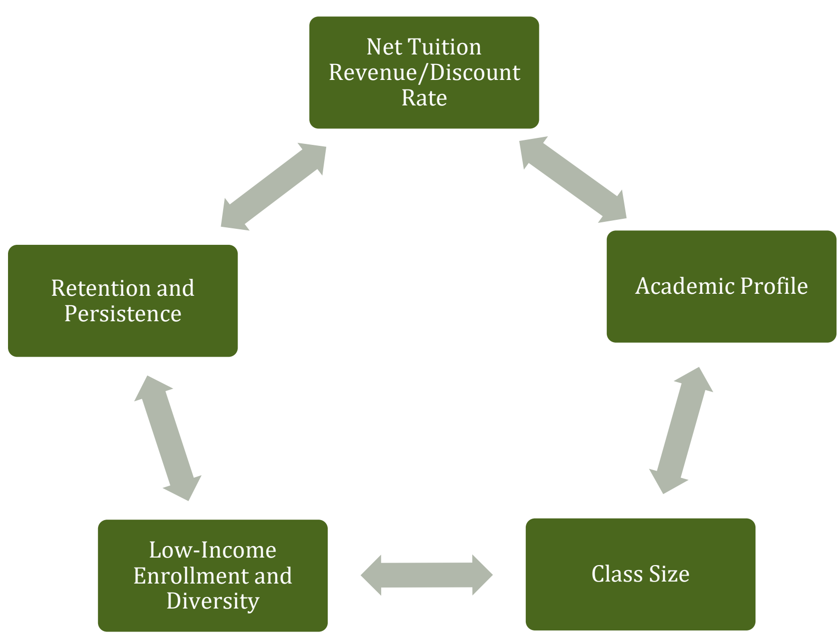
Finally, by removing our dependency on trying to increase retention and recruitment among students with poor CIs (a predictor of first term GPA, which in turn is the strongest predictor of retention according to the models currently used), we minimize our overall vulnerability to a volatile higher education market. Currently, under our growth model, the range is almost 13 percentage points, which makes projecting future budgets and long-term financial stability difficult.

We think it is important that Stetson spend resources on building a retention model that helps us in the *pre-enrollment* stage. This will help us in the admissions process when we are deciding which students to enroll. All things equal, the institution has a vested interest in enrolling the student more likely to retain.

Rather than increasing our dependency on students who have pre-enrollment indicators (e.g., lower quality CIs) that they may struggle at Stetson and potentially leave the University, we should focus on retaining the students who *are* ready, willing, and able to excel at Stetson. In this light, we argue that we should realign our resources away from trying to help those at the bottom end and instead help keep those that *should* stay but are not.

Revisiting the Trade-Offs

We have evidence and reason to believe the main reason why these good and excellent students are not attending in sufficient numbers nor staying at Stetson after matriculation is, on some level, due to our declining focus on *academic excellence, small-class sizes, and one-on-one instruction with full time faculty.* These factors are all related to the decisions to spend on non-academics instead of investing in the core of our liberal arts relationship: the connection between student and faculty.



If we return to the admissions chart of the trade-offs of any large strategic decision, the faculty perspective can be summed up in the following way: rather than pursuing growing the class size (which coincidently has harmed many of the other areas of the university), we should pursue the "academic profile" and "retention and persistence" goals. As we will show below, by focusing on retention we see that many of the policies currently enacted—and, especially, the spending priorities when it comes to athletics—have a direct and negative influence on our retention rate. Instead, according to the data from 2011-2018, we should pursue those policies that increase retention: taking discount monies away from athletes and putting them in the hands of those students with high academic index scores (CI1s and CI2s). These students retain at significantly higher rates—nearly 90% some years—and they do so on less discount than even the normal athlete. We should stop privileging athletes at the expense of gifted academically-minded students.

What does this mean, in terms of trade-offs? First, we would expect that we would have to have uncomfortable discussions about the expense side of the budget—namely, since we are now trying to increase retention, and doing so through increasing discount rates to better academic students and eliminating our dependence on lower quality students who pay more, then we may expect some lost revenue for a few years. Some estimates put this number around $2-3 million per year. As we outline below, much of that lost revenue can immediately be met by shrinking our athletic expenses—even minimally to match our peers in Division I, though it may be more prudent to move divisions earlier rather than later. Second, by increasing the academic quality of the students (who are more likely to retain) we also increase our academic profile. The various rankings of colleges—increasingly important for families when making their decisions to enroll—put significant weight on retention and graduation rates. Therefore, by maximizing these rates, we increase our profile which, in turn, would make it possible for us to lower our discount rates (since the demand for Stetson has increased from its visibility in the rankings). This is a strategy that has certain trade-offs, including lowering the class size and short-term revenues. However, through careful planning and data-driven solutions, we are confident that the losses would quickly dissipate and the institution can focus on investing where returns are apparent and in line with our core academic mission.

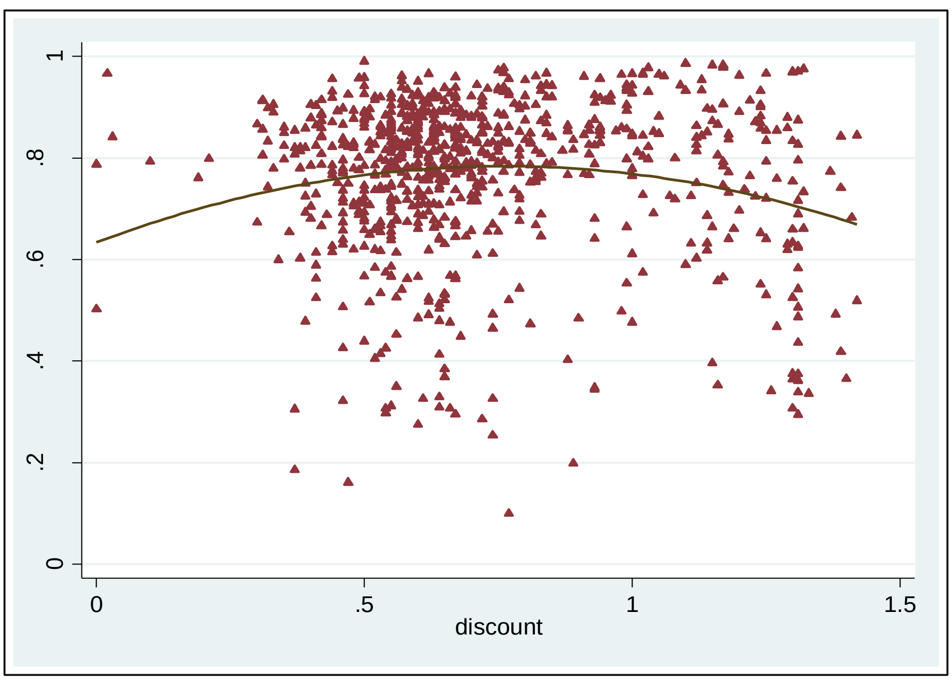
POST MEETING UPDATE: REVISING THE RETENTION MODEL

Members of the Faculty Senate and the Director of Institutional Research recently collaborated on revising the retention model that the institution uses in many contexts and is integral for decision-making. The purpose of the revision was not to cast any blame on any party, but to follow-through on the Faculty Senate's commitment to make our empirical and quantifiable data more precise, to help make our decisions more grounded in reality.

Inconvenient Truth: The More Investment in Athletes, the Less Likely they are to Retain

Although the full draft of the report is available through the Senate, the following sections have been reproduced here. Looking at the official data, given to the Senate by the Office of Institutional Research, the Senate and the Director of Institutional Research came to a better model that predicts retention at Stetson University. This model shows that the more money we give to athletes—the higher their discount rate—the less likely they are to stay at the University. Conversely, the vast majority of non-athletes *do* respond to discount rate increases. In short, the institution is in a self-inflicted double-bind: we spend a considerable amount of money (in terms of lost tuition revenue) to bring in athletes who, as it turns out, are less likely to stay—hurting our retention rates. We could redistribute that discount to groups of students—like those in high CIs—that are not only academically better students, but they are also more likely to stay.

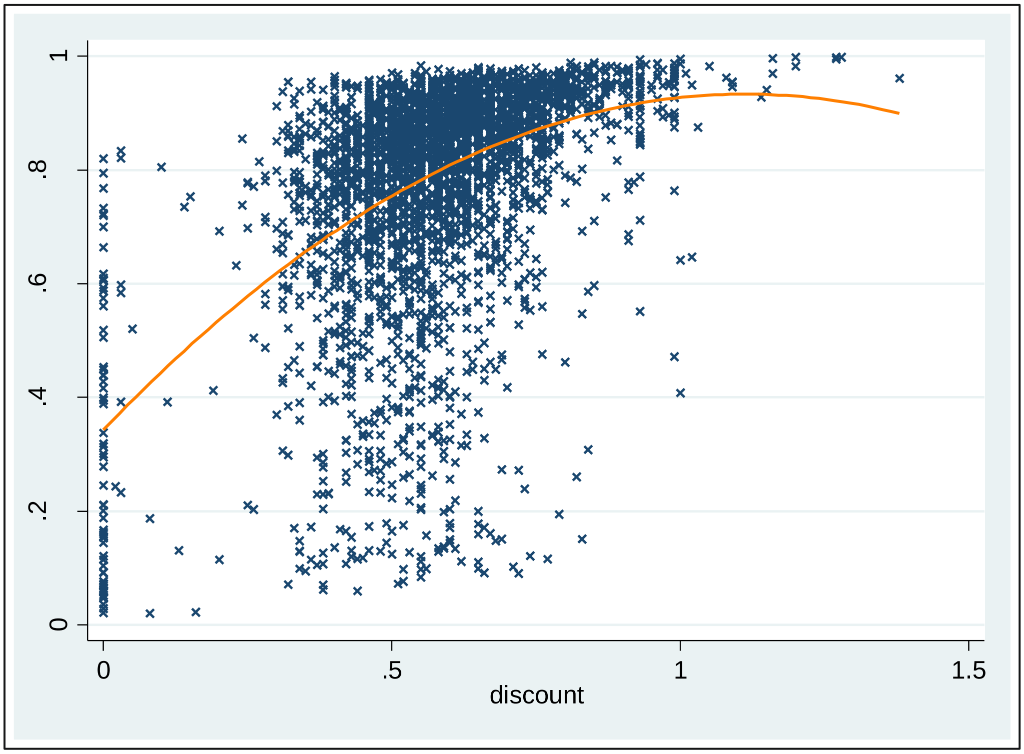
Probability of Student-Athlete Retention, by Discount Rate



The graph to the left shows the discount rate (0 to 1.5, or 0% of tuition to 150% of tuition). Each triangle is an actual student's likelihood of retaining at Stetson, when controlling for the effects of things like GPA, CI, etc. The probability of retaining—the left axis—ranges from 0 to 1, or 0% likely to retain to 100% likely. As you can see, the best fit line starts at about 60% likely to retain for athletes who have 0% tuition discount, and ends at about 142% discount where the probability of retaining is only marginally better—about 65%. In other words, in terms of discount rates and athletes, we are not getting the return on investment we should: it almost doesn't matter how much money we give athletes, they retain the same regardless.

Of course, upon closer inspection, there is a slight increase to about 78% at the 60-70% discount rate. This is exactly what the move to Division II or Division III would capitalize on: we get some retention benefit from athletes, but we have calibrated the investment to maximize the return. In short, we are not spending more money than we should.

Here, on the right, is the companion graph, which shows the effect of discount rate on non-athletes. As you will see, the line is significantly steeper—there is a strong effect of discount on retention. Unlike athletes who routinely receive above 80% discount rates yet retain at below 80%, non-athletes with that high of a discount rate would predictably retain in the 90% range. In other words, here is the simple data that shows the relationship between discount and athlete status to be a net-negative to our university's institutional goal of retention.



Probability of Non-Athlete Retention, by Discount Rate

Meeting Two: Athletics

ATHLETICS DOES NOT PAY FOR ITSELF

When discussing athletics with faculty in our Friday discussions, one thing became very clear: there was considerable confusion about the cost of the athletic program at Stetson. On the simplest level, there was confusion about if our athletic program was even making a net profit. Here is a quote from the NCAA itself on the net losses most every University incurs because of athletics:

> ***"There is still a misperception that most schools are generating more money than they spend on college athletics,"*** *said NCAA Chief Financial Officer Kathleen McNeely.* ***"These data show once again that the truth is just the opposite."*** *The overwhelming majority of colleges and universities in the NCAA across all three divisions subsidize part or all of athletics. The reason they invest is because sports provide* ***educational value to student-athletes while enhancing overall campus life*** *and building life-long connections with alumni and other supporters. Those are all important outcomes from athletic programs that are worth celebrating, sharing and investing in wisely."*[19]

Across the board, regardless of NCAA division, most colleges simply do not make money on athletics. So, the question is: for what reason should we subsidize athletics? The argument for Division I athletics seems to be the following: geographic diversity and increased presence. However, we could spend significantly *less* and enhance our geographic diversity (e.g., through academic and merit scholarships), and the only available empirical measures of our increased presence suggest that we have *negative* effect: Stetson's reputation has declined steadily over the years according to *US News and World Report*.

The questions we should be asking about our commitment to Division I athletics are the following: Do they increase the academic character and quality of the colleges? Just like with other expenses across the university, what benefit does the athletics program provide, and at what cost?

ATHLETICS IS NOT STETSON'S FUTURE

In 2015, only 24 Universities in the entire country made a profit on their sports programs.

Stetson was not one of them, and it is not even close.

So, where does Stetson get the money to pay for its very expensive Division I sports program?

By NCAA rules, Stetson offers nearly 100 athletic scholarships (about $6,000,000), which we report as lost tuition revenue. Couple this with the everyday operating costs, and our athletic program costs us nearly $20,000,000 in 2017.

While Stetson makes a couple million in ticket and merchandise sales, the rest of the bill must be made up through either alumni donations or the tuition of non-athletes.

In other words, precious financial resources that should go toward Stetson's value proposition as a premier Florida academic institution are diverted toward our Division I athletic program.

Bottom line: Stetson's current athletic program does not provide return on investment, actually hurts our institutional goal of increasing our retention rate, and thereby hurts our reputation.

[19] "Athletics departments that make more than they spend still a minority," NCAA website (2015). http://www.ncaa.org/about/resources/media-center/news/athletics-departments-make-more-they-spend-still-minority

THE DATA

In the following section, we make use of three datasets. The first, and most important data set, is the one Stetson submits to the federal government, as required by law and by the NCAA. This data is freely available, searchable, and downloadable at the *Equity in Athletics Data Analysis* webpage: https://ope.ed.gov/athletics/#/. For the most part, we have simply provided descriptive data (e.g., how much does X school spend?). Occasionally, we have provided more systematic statistical analyses, which we discuss below. The second dataset is internal financial data given to the Faculty Senate through a number of venues, but mainly through committee reports. The Faculty Senate has a mandate on both the finance and athletic university committees to be privy to various discussions about resource allocation throughout the university, especially on athletics. The third dataset—on student discount rates—is Stetson administration data made accessible by the Office of Institutional Research through Microsoft's PowerBI application.

WHAT IS THE COST? $18.2 MILLION

Stetson's current 18.2 million commitment to DI with Football (FCS), which constitutes a 205% increase over our 2009 athletic budget, is significantly out of line with virtually all comparable four-year institutions. There has been considerable discussion over the nature of the $18,200,000 per year number. This is the official number reported by Stetson to the NCAA, as mandated by federal law. This number includes nearly $6,000,000 in athletic scholarships—which means that the athletics program is not spending $18,200,000 in "real" dollars, but only $12,200,000. Even if we followed this line of reasoning—which, again, most institutions simply don't in reporting this number to the NCAA—we believe that spending $6,000,000 in funded and unfunded discount on athletic scholarships would be better served if we spent them on *academic* scholarships—students who would take advantage of our elite liberal arts opportunities, increase retention, etc. (See the section above on athlete retention and discount.) In short, not only does Stetson spend considerably more on athletics than its peers—no matter if it is calculated compared to all other institutions with or without the athletic scholarships—we believe that the amount of money spent on scholarships alone should be reallocated away from athletics and into academics.

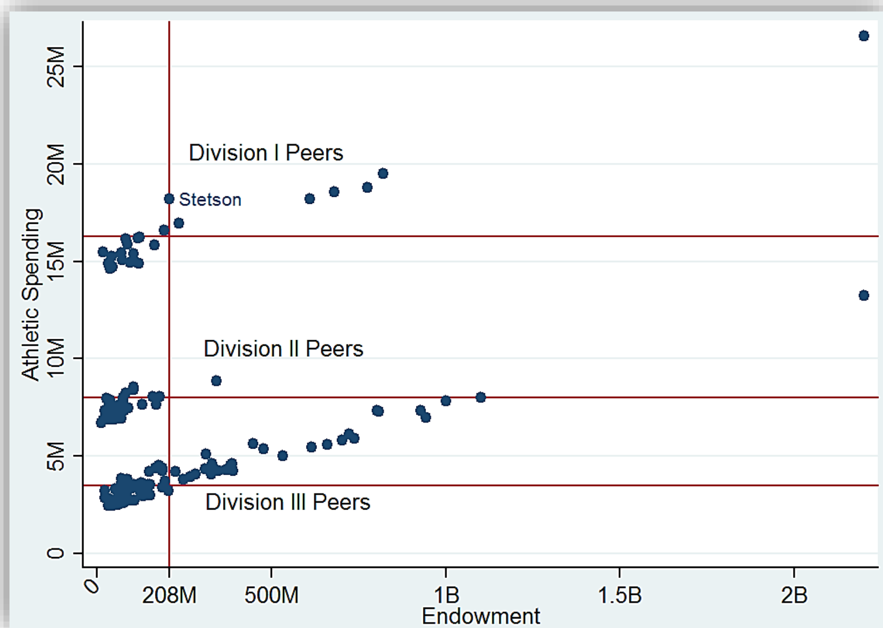
In fact, Stetson's outlier status regarding athletic expenditures and divisional affiliation appears just as stark when one qualifies by endowment as well as enrollment. The average endowment of the only five institutions in this group that spend more money on athletics than Stetson or Siena is more than **1 billion dollars, nearly five times Stetson's endowment**.

Rank	Institution	Endowment	Total Athletic Spending	Tuition (2016-2017)*
1	College of the Holy Cross	$679,400,000	$32,140,448	$50,630
2	University of Richmond	$2,200,000,000	$28,690,278	$49,420
3	Furman University	$609,700,000	$28,179,039	$48,348
4	Colgate University	$821,600,000	$26,220,452	$51,955
5	Lafayette College	$774,700,000	$22,638,590	$48,885
6	Siena College	$121,500,000	$18,366,060	$34,611
7	Stetson University	$208,000,000	$18,187,619	$43,240

Most of our enrollment growth beyond 2300-2500 students has gone to subsidizing DI Athletic Expansion, not the other way around (as the NCAA CFO explains above). In fact, Stetson's 3000 students pay a premium of approximately 4,000 dollars per student to subsidize the costs of DI vs. a typical DII school in the Florida Sunshine State Conference and nearly 5,000 dollars per student vs. regional DIII schools in the Southern Athletic Association (SAA) and Southern Collegiate Athletic Conference (SCAC) as outlined in graphs below. That's nearly an 8-10% premium in tuition that Stetson students must pay to subsidize DI athletics, a premium that could be used to reduce the cost of tuition for high-achieving students, increase ethnic and geographic diversity or attract more academically outstanding students–– without requiring any additional revenue.

Given this evidence, the most conservative response to our current budget status is not to increase enrollment still further, exacerbating many of the structural financial and enrollment bottlenecks caused by aggressive enrollment growth, especially given our perennial inability to either 1) make our projected class; 2) meet our projected retention and graduation rates; and/or 3) maintain a manageable discount rate (net tuition revenue). Nor is this wise given the current instability in the stock market and demographic trends suggesting that fewer college age students will be willing or able to afford a private university tuition in the coming decade. Rather, we should consider ratcheting down our investment in DI athletics, following the general model of our similarly sized and endowed peers, and emphasizing academic quality over quantity.

STETSON'S SPENDING RELATIVE TO ALL PEERS (4 YEAR PRIVATE, 2,500-3,200 UGS)



Stetson currently is **an outlier even among Division I peers at $18,200,000 in athletic spending per year**—this despite the fact that the vast majority of schools our size is not Division I. The graph above shows the statistically-derived expected spending if Stetson moved down to its peer spending, by Division. Each horizontal red line maps our expected spending if we remained in line with our peers in each division. The single vertical line is held constant at $208,000,000, which is our endowment.

By spending $18,200,000 on athletics last year, Stetson is operating as if it had an endowment of nearly $600,000,000 instead of our actual $200,000,000 endowment. In other words, even were Stetson to remain DI, which 90% of hundreds of schools with similar enrollment and endowment do not do, **it should *still* spend at least $2,000,000 less** on athletics per year to remain in line with our DI peers of similar size and endowment.

SO, WHAT IS THE BENEFIT?

One of the major arguments some make for the athletic program is the academic quality of the student-athletes. While there are certainly higher- and lower-achieving students in every subgroup at Stetson, recent data helps us compare the differences between the student body and athletes. Perhaps student-athletes retain more than non-athletes? Perhaps athletes have better CI (a measure of academic ability) scores than non-athletes? Perhaps athletes have better GPAs than non-athletes?

When comparing athletes to non-athletes it is important to remember that we are essentially paying (or foregoing certain tuition revenue) when we offer students discount rates. Therefore, in order to properly compare athletes and non-athletes, we shouldn't compare them simply to the average student, but to the student group most like the athletes in terms of resource investment. In other words, if some athletes have a 70% discount rate, we should compare those athletes with students of comparable discount rates.

Below is a table that shows the differences between our non-athlete students (broken up into quintiles, based on discount rate) for ease of interpretation (as of Fall 2017). (Remember: a CI of 1 is best, and the lowest CI is 8.)

***2011-2016* Sport**	**Mean Discount**	**CI**	**Retention**	**1st Term GPA**	**1st Year GPA**
Nonathlete—Lowest 20%	36.55%	5.93	66.82%	2.47	2.53
Nonathlete—2nd Quintile	51.08%	4.55	76.60%	2.86	2.86
Nonathlete—Median	57.55%	3.55	78.06%	3.00	2.98
Nonathlete—4th Quintile	64.60%	2.86	83.79%	3.19	3.12
Nonathlete—Top 20%	79.47%	2.59	87.53%	3.32	3.27
Football	58.60%	4.96	71.53%	2.81	2.85
Men's Rowing	61.13%	4.10	76.60%	2.82	2.92
Men's Crew	61.30%	4.00	80.00%	2.10	3.24
Women's Crew	62.91%	3.91	91.67%	2.73	2.86
Women's Rowing	64.24%	3.77	78.69%	2.94	2.80
Men's Golf	66.90%	3.90	90.48%	2.92	3.22
Men's Cross Country	69.00%	3.47	100.00%	3.20	3.24
Women's Lacrosse	70.56%	3.76	90.00%	3.14	3.08
Women's Cross Country	71.00%	3.43	91.30%	3.17	3.15
Men's Soccer	76.32%	4.92	73.68%	2.93	2.94
Baseball	85.80%	3.89	66.18%	3.14	3.00
Women's Volleyball	86.47%	4.10	76.67%	3.35	3.38
Beach Volleyball	90.17%	3.77	80.00%	3.33	3.31
Women's Soccer	92.31%	3.13	70.49%	3.25	3.31
Men's Tennis	93.77%	5.69	84.62%	3.26	3.07
Women's Golf	95.00%	3.45	90.90%	3.36	3.29
Women's Tennis	95.00%	4.77	77.78%	3.32	3.31
Women's Softball	99.10%	4.40	92.50%	3.10	3.15
Men's Basketball	122.50%	6.69	60.87%	2.42	2.42
Women's Basketball	127.12%	6.48	60.00%	2.61	2.56

The simple story of the table above is this: our student-athletes by sport are overall well-below the CI scores of non-athletes at comparable discount rates (the top 20%); the vast majority of our student athletes are well-below the GPAs and retention rates of this group, too. In fact, for some of our scholarship sports—which is a product of Division I—are actually far below the University retention rate, even though they have a full ride at Stetson.

In other words, our athletic program, *largely due to its Division I status*, is hurting the academic quality of the institution, the financial stability of the institution, and the retention and reputation of the institution. **We cannot justify the continuation of a strategic plan that spends the amount of money currently committed to D1 athletics when the result is a negative feedback contributing to lack of academic quality.**

Or to put it another way, why have we allowed academic quality/student selectivity/academic expenditures to drop far below the quality of other small privates both inside and outside our Athletic Division and Peer Group (e.g. Davidson, Furman, Puget Sound, etc.), while fetishizing increased expenditures, marketing, and general institutional emphasis on DI level athletics—something completely tangential to our small, selective private university mission?

WHAT WOULD DIVISION II/III DO?

Stetson's strategic plan has been to grow the undergraduate population by leveraging our Division I athletics program—which means to grow it to recruit more student-athletes. The problem is that Division I athletics is expensive, which means that the expansion of our athletic program is exponentially more than it would be if we were like our peers in Division II or Division III conferences.

There is a common misunderstanding when it comes to discussions about Division I vs. Division II or III. Specifically, by moving from one division to the other **we are not discussing closing certain sports programs, as might inevitably happen to academic programs if we continue on this downward financial trajectory**. Instead, what moving from Division I to Division II or III does is radically change the bottom line cost to the University, especially in decreasing lost tuition revenue. In other words, Division II or III would eliminate scholarships, not scholarship sports. **It might even permit an increase in the number of student-athletes, since these students would now be more or less typical students paying full tuition, in athletic programs with considerably lower operating costs.**

Below is a simple table that shows the estimated tuition revenue by "scholarship" athlete (basketball, baseball, beach volleyball, etc.), "non-scholarship" athlete (football, crew/rowing), and non-athlete.

Estimated Tuition Revenue by Scholarship/Non-Scholarship Sport, Non-Athlete

Year	Scholarship	Non-Scholarship	NonAthlete
2014	$1,443	$16,168	$16,303
2015	$1,193	$15,727	$16,589
2016	$3,276	$17,846	$18,141
3 Year Average	**$1,971**	**$16,580**	**$17,011**

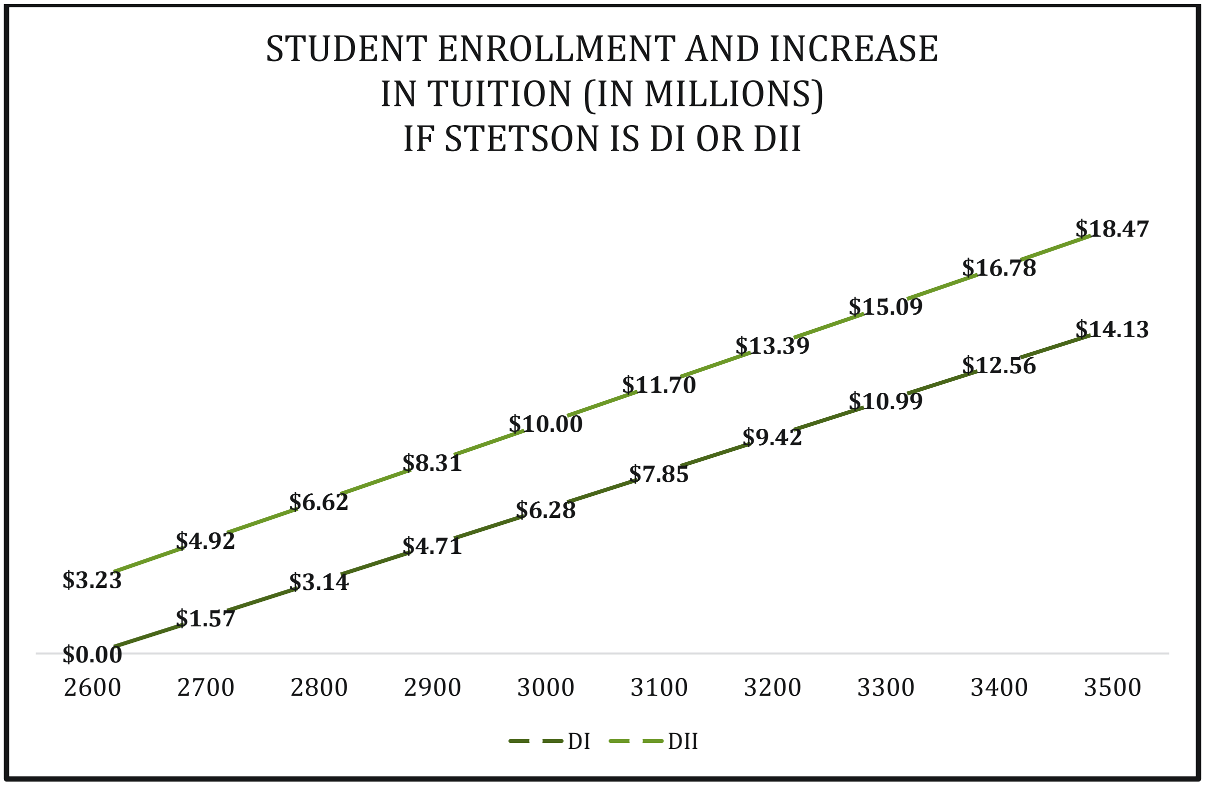
Raw data estimates available through Power BI.

Stetson University loses about $15,000 in tuition money per *scholarship* athlete. In other words, if the student attended Stetson as a non-athlete they would pay about $17,000 in tuition, but if they attended as a scholarship athlete they would pay only about $2,000 per year. The difference between non-scholarship athletes (which is the Division II and Division III model) and non-athletes is only about $500 dollars.

If non-scholarship sports move toward scholarships (like football might), Stetson would lose a considerable amount of tuition revenue. In fact, the total revenue from the football program per year would drop from around $1,600,000 per year to about $200,000 per year. That would mean that the athletic cost to the University would increase nearly 1.4 million dollars overnight, due simply to lost tuition revenue.

How Division I Affects Our Growth

Since our goal has been to grow to pay our bills, one of the major expenses has been athletics. A major reason why athletics is so expensive at Stetson is its Division I status. Not only does it cost a lot to maintain a Division I program—coach salaries, more assistant coaches, more recruitment money, facilities, etc.—but it also directly affects the amount of money we get from student tuition, ballooning our enrollment numbers even more. In other words, because we need to make a certain amount of money every year in tuition, and one major reason is our increasingly outlier athletics costs, we need to bring in more students. However, some of those students—athletes, who were central to our enrollment plan—pay less than nonathletes. This means that we need to bring in *more* students than we would need to because some are only partially paying (athletes, scholarship or otherwise, have discount rates higher than our average non-athlete student).



Imagine Stetson currently had 2,600 students. How many students would Stetson need to add if it needed to make an additional 6 million dollars in tuition revenue? Since our incoming classes have about 14-17% athletes, we can calculate the difference in tuition dollars for every additional hundred students.

This graph helps illustrate the added tuition revenues if Stetson adds 100 students from 2,600. If we remain Division I, each additional 100 students add about $1,500,000 in additional total tuition revenue. If we had a Division II (or Division III) model, we would immediately gain almost $4,000,000 in tuition revenue (because we would not have major sport scholarships). And, in the Division II (or Division III) model, each additional 100 students would add about $1,700,000 in tuition.

So, to answer the question posed above: to get $6 million dollars in additional tuition revenues, we would need to increase enrollment in the Division I model from 2,500 to 3,000 students. However, in the Division II (or Division III) model, we would only have to increase the student body by less than 300 students to gain an additional $6,000,000 in tuition revenues.

This means that, not only are we spending far more of our budget than virtually any of our academic peers on athletics, but because of our athletic division (not the number of student-athletes or sports per se) we need to grow our student body even more to pay for the program.

Division	Stetson's Expected Spending Based on Endowment	Difference Stetson's Actual Spending
I	$16,300,000	**~$2,000,000**
II	$8,000,000	**~$10,300,000**
III	$3,500,000	**~$14,800,000**

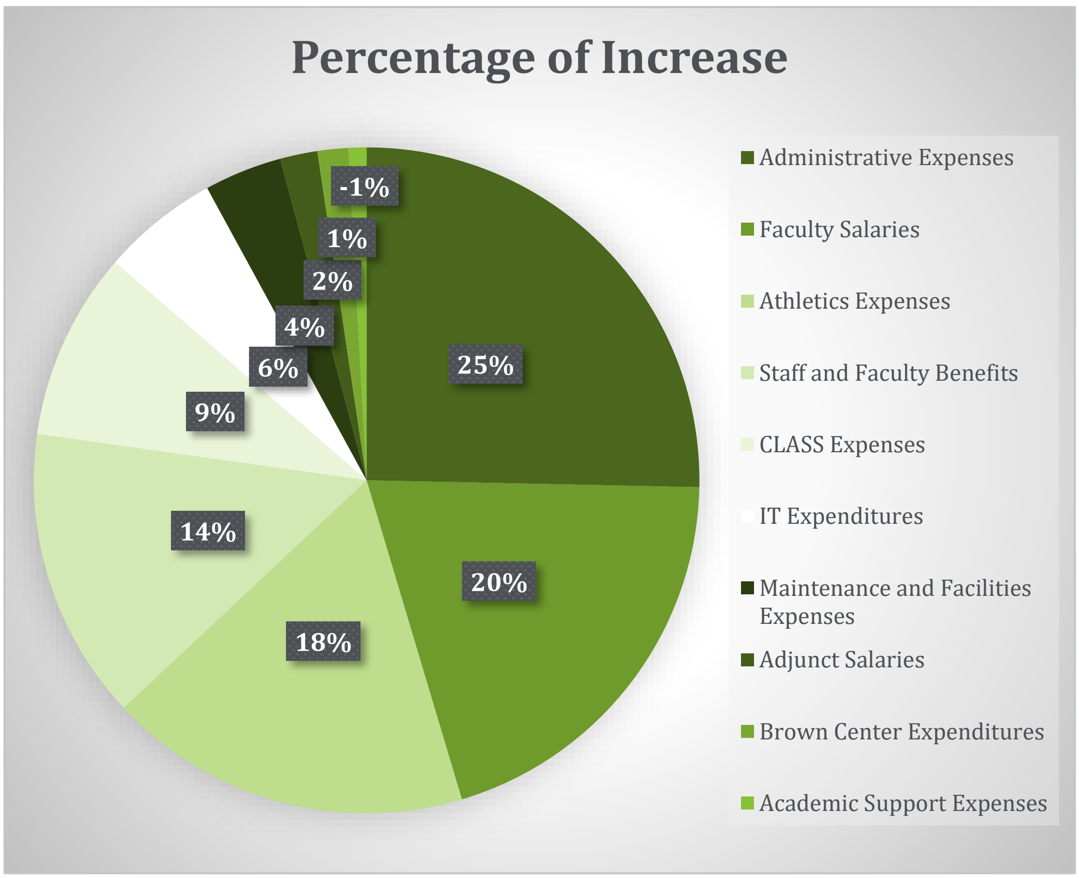
Meeting Three: First Year Experience

At the Friday group meeting on the first-year experience, it became clear that there was a general discontent with the way that the "transitions" QEP—which mandated the FSEM/JSEM program—was being run and implemented. Part of the issue with the first-year programs is that faculty feel that they lost control of the programming. The loss of control is a direct consequence of the increases in spending on administrative and staff personnel and operating expenses over the last few years. When the program becomes less about academics and more about simply making students feel welcomed on campus for a week or two, satisfaction among students and faculty will inevitably decline (as was already mentioned above).

WHERE HAS THE MONEY GONE?

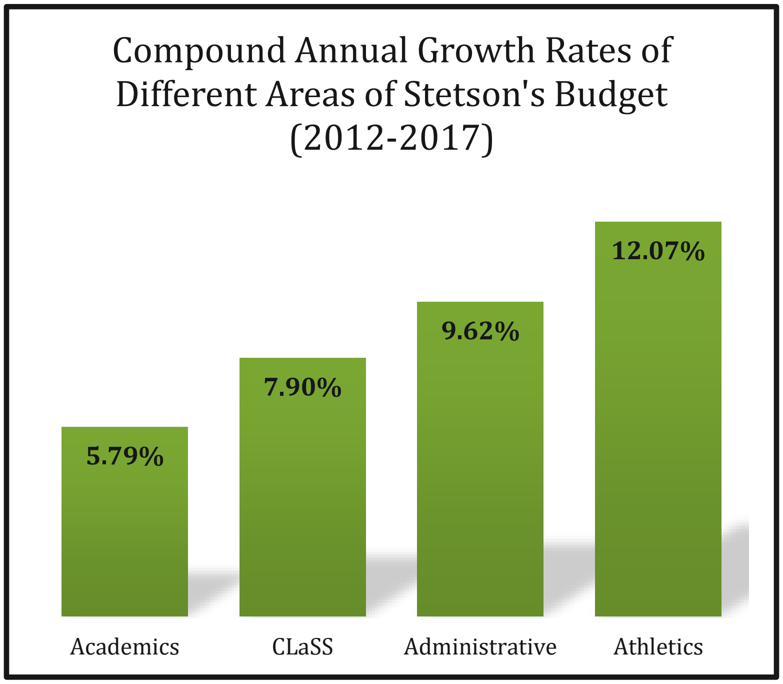
There are two ways to show the spending in academics and non-academics. The first is through relative increases, the second in "compound annual growth rates." The first way, simply says how much bigger has this particular category grown from some baseline year. The second rate smooths out the growth curve, so it computes a number that says how much the particular category has grown *per year.*

Relative Increases, Academics and Non-Academics



If we take all of the money we added to through our enrollment expansion, we can show where a significant portion of that money has gone through the percentage increase in particular budget items relative to others. There are more things in the budget, but administrative expenses, full time faculty salaries, athletic expenses, benefits, CLaSS expenses, IT expenses, and academic support are major blocks of the budget. As the pie chart above shows, a quarter of the added money from enrollment growth has gone towards administrative expenses. Together with athletics and CLaSS (non-academic spending), over 50% of the added monies has gone towards things outside of the classroom. This graph shows that non-academic spending has been the actual spending priority of Stetson over these years. For programs like athletics, where the budget is now about equal to the total salary compensation for all tenure-track DeLand faculty, this increase is not trivial.

Compound Annual Growth Rates, Academics and Non-Academics



Data estimated from internal budgets

Above is a simple figure that shows the compound annual growth rates for four major groups across Stetson University.[20] Notice that academics has grown the least. And, even though we have spent relatively significantly more in non-academics, which has the goal of increasing retention and student satisfaction, our investments of millions of dollars has not been returned.

The "Professionalization" of the Liberal Arts Experience

In line with the general logic of our strategic plan, rather than trying to have students stay at Stetson due to academic rigor and intense relationships between faculty and student, supported with the highest possible tuition discount based on academic (creative) ability, the core value of a liberal arts experience, we have spent considerably more money (relatively) on non-academics in terms of administrative (CLaSS) and athletic operating costs (including non- academic scholarships).[21] When it comes to the first-year experience—which, since 2011 has steadily declined in student satisfaction—the idea is not to return to the traditional liberal arts model, but to jettison it for more innovative, expensive, staff- and administratively-run programming. For example, there is talk on campus that we should "professionalize" our advising, which would require hiring more staff

[20] These data are collected from the reported budgets given to the Finance Committee, prepared by the Finance Office. There are two important things to note. First, we have collapsed various administrative groups (enrollment, marketing, academic support, etc.) into the "administrative" category. By splitting the administrative expenditures into many smaller categories, it may seem as though we are not spending as much as we actually are on administrative, non-academic projects and salaries. Second, we have also not changed what is considered "academics," i.e. "instruction" in the standard report. There are many things that should not be counted as "instruction" that are listed under that category in the standard report because, frankly, it is not instructing students (e.g., the Deans salaries, office expenses, etc.). We have not, however, tweaked those numbers in this graph.

[21] Indeed, the amount of CLaSS and Athletic Department operating expenses spent per capita on supporting/advising student-athletes is considerably greater than that expended on non-athletes, even though student-athletes, per above, pay much less in tuition.

members—professional academic advisors. Rather than solving the ballooning student-faculty teaching load that has put a strain on our traditional, valuable advising model by hiring more full-time faculty, the solution proposed is to expand the already expansive CLaSS and administrative wings (and its student support and advising corollaries in athletics). There is seemingly money for advising professionals, but not professional academics.

The Future Retention Problem

Expanding the student body is a very risky enterprise because, as a tuition-driven institution, the larger our expenses (from growing) the more dependent we are on larger and larger student enrollments. In other words, once you start growing, it becomes very difficult to stop doing so. At Stetson, over the last few years, **we have not only pursued this risky enrollment growth strategy, but we have compounded our difficulties by investing new revenues not in academics, but disproportionately in athletics and administration, growing our student body primarily through admitting less prepared (SAT-optional) students and student-athletes** (students of lower than average academic achievement who pay much lower tuition but cost far more to recruit, retain and graduate). In fact, we have spent more of the new tuition dollars on non-academics than even on full time faculty salaries—failing to grow the faculty to keep pace with increasing student enrollments and consequently decreasing our value proposition. So, rather than spending money on making Stetson stronger academically, cultivating our reputation nationally, we have consciously brought in more students who are more likely to leave and pay less, and, in order to keep them, we have spent disproportionately more money on things outside of the classroom.

As it was initially conceived by the steering committee, the "transitions" QEP was to help students retain, increase the academic quality of their work at Stetson, and manage the students' expectations.[22] On page 15 of the QEP 5 year review document, the explicit goals were listed:

- Decreased percentage of first-semester students with at least one deficiency report on their midterm reports
- Increased first-semester GPAs of first-semester students
- Increased first-to-second semester retention (persistence) of first-semester students
- **Increased first-to-second year retention of first-year students [emphasis added]**
- Significant increases throughout the first semester on assessments such as critical thinking and writing quality (as demonstrated through rubrics).

We have spent millions of dollars to implement a series of programs—largely run by CLaSS—that has not delivered on these expectations. The Faculty Senate is beginning conversations with the leadership in CLaSS to incorporate faculty oversight and restore shared responsibility in the implementation of our QEP. We also have begun initial conversations about the next QEP, which will not stress non-academic solutions to our pressing problems at Stetson.

Preliminary Data on Fall 2017 Cohort Retention

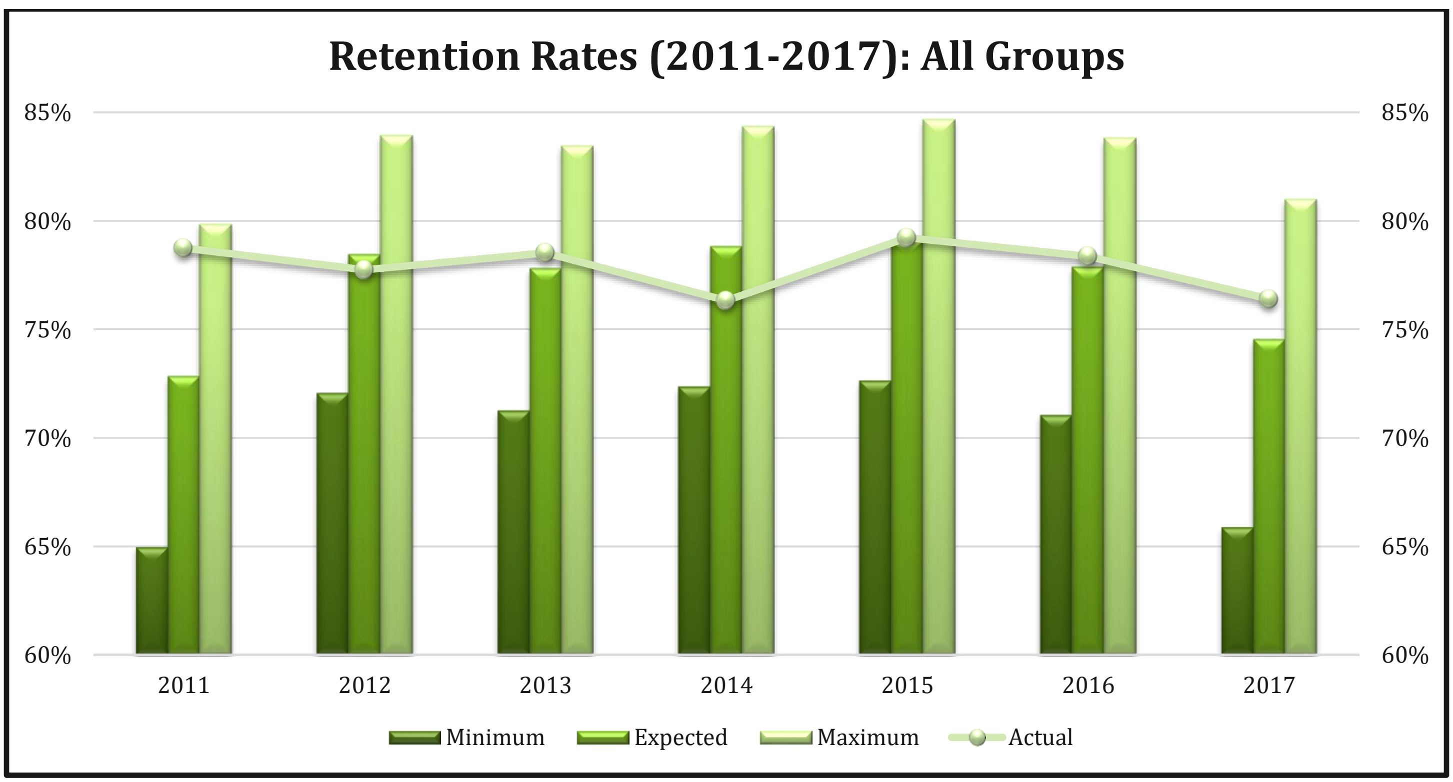
The argument is not about eliminating CLaSS, but that there is a multimillion dollar input problem in terms of scholarship dollars and operating expenses when it comes both to our enrollment strategy (expending 6 million in discount on athletic ability over academic ability) and investments in non-academics over academics (spending on CLaSS positions over faculty positions), both of which hinder the ability for the institution—faculty and staff in CLaSS, no matter how talented or productive, no matter what the strategy—to improve retention as we pledged to do.

For example, the preliminary numbers for the retention numbers have been posted to PowerBI for the Fall 2017 cohort. Using the same methodology as we outlined above in the Retention section of this document, **we have estimated a decline in retention for the 2017-2018 first-year cohort.** At a minimum, we will not be close to reaching our goal of 83%.

[22] https://blog.stetson.edu/fsem/wp-content/uploads/2017/07/Stetson-QEP.pdf

	Group 1 (100-90)	Group 2 (89.9-80)	Group 3 (79.9-70)	Group 4 (69.9-60)	Group 5 (59.9-50)	Group 6 (49.9-0)	Total	Estimated Retention Rate
Total Students	181	295	138	77	55	118	864	
Highest %	100.0%	89.9%	79.9%	69.9%	59.9%	49.9%		
Highest Estimate	**181**	**265.205**	**110.262**	**53.823**	**32.945**	**58.882**	**702**	81.26%
Average %	92.0%	85.0%	78.0%	70.0%	58.0%	28.0%		
Average Estimate	**166.52**	**250.75**	**107.64**	**53.9**	**31.9**	**33.04**	**644**	74.54%
Lowest %	90.0%	80.0%	70.0%	60.0%	50.0%	0.0%		
Lowest	**162.9**	**236**	**96.6**	**46.2**	**27.5**	**0**	**569**	65.87%

While we are not actually predicting our retention rate to be barely 75%, which would be the lowest in many, many decades, we are suggesting that we are increasingly vulnerable to a number of factors, many of which are tied to our aggressive growth strategy. In other words, a massive effort will be needed across the campus to retain students that we actually expect to leave. In line with the faulty logic we have outlined in detail above, the initiatives will center on *non-academic* things. One set of answers will always lead to *expanding* athletics, or another set will always lead to *expanding* student services.



Above is a simple graph that visually represents the historical minimum, expected, maximum estimates of our retention rate, based on the models used by the Office of Institutional Research. There is a line across the bars which is the *actual* retention rate for that year.

This graph shows that, while the actual retention rate has remained relatively stable over the last 6 years, we should point out the variability between the minimum and maximum estimates. The lower the minimum expected value, the more we think that student will leave the university—this is our *floor*. Conversely, the higher our maximum, the more we think that student will stay at the university—this is our *ceiling.* We should be worried about how low our floor is, and how high our ceiling is: we want a high floor and a high ceiling.

Or to put it another way, we are spending more and more money and faculty and staff resources to reach the same subpar retention rates that we reached 10 or 20 years ago, with far less time and expenditure. This is not due to a failure of vision or ability among CLaSS staff or faculty, but a failure to invest new monies in academic quality (the best possible students taught by the best possible full-time faculty) over athletics and administration.

To wit: First, notice that we far outperformed our expected retention rate in 2011 (expected was around 74%, but the actual was nearly 79%). That year was also our lowest floor (which is not a good thing) at about 65%. The floors since 2011 have hovered around 70-73%. The ceiling for 2011 was only about 80%, which makes our actual retention rate that year even more incredible: we punched well above our weight that year. Our ceilings since then have hovered around 82-83%. Remember, this is the *estimated ceiling* of our retention rate, given all of the predictors that the Office of Institutional Research has used to model our retention rate. In other words, if we are aiming for 83% retention rate, we are not well positioned to reach that number.

Finally, we need to recognize the decline that 2017 shows us what we should expect. Much like 2011, before our real push for enrollment growths, our floor in 2017—5 years into the aggressive growth plan—is nearly the same: 65%. This is a floor lower than the previous years—which, again, is not good (ideally, you want a significantly higher floor to help you plan your retention rates better). Also like 2011, the numbers in 2017 reveal a significantly *lower ceiling* than years 2012-2016 (only about 80-81%). Again, this is not good—we want higher ceilings. Taken together, even though we have pursued an aggressive growth strategy and spent considerable amounts of money on non-academics to bolster enrollments (athletic expansion) and help students retain (CLaSS), we are essentially back in 2011 numbers—but with significantly higher budgets, less academic resources, more students, and declining academic reputation.

Again, while we are not necessarily predicting near-catastrophically low retention (74.54%), we *are* again stressing that the institution is increasingly vulnerable to factors directly related to our decisions to increase enrollment and spending considerable amounts on non-academic programs like athletics and CLaSS. Not only does this raise our operating costs—forcing us to enroll and maintain more students—but, as we have seen, neither of these programs have helped in the ways that justified their expansion anyway.

Ultimately, it means that everyone, staff and faculty, now has to spend more of their scarce time and resources than 10 or 15 years ago triaging in order to retain every student possible, including many that are not succeeding at Stetson and do not have the ability to pay, to reach the same or lower retention rates as 10 or 15 years ago. After many millions of new dollars spent in the name of retention, not on academics but on athletics and administration, this is a stark and sobering reality.

Confirmation of Our Expectations of Fall 2017 Cohort Retention

Back in May, as we suggested above, we expected the retention rate to drop. As of the most recent data in 2019, this is exactly what happened: our retention rate was 76%. In short, the initial reports that the faculty created in the beginning of the Spring 2018 term was able to provide clear guidance and predictions about our retention rate nearly eight months later. This shows that our data and analyses are reliable and valid. We only wish that these concerns were heard before it was too late.

Next Steps: The 2020 Ten Point Plan

One of the most important themes that come out of this document is this: *things could be otherwise*. When we are facing continuing budget deficits, declining reputation, diminishing academic undergraduate quality, and skyrocketing athletics expenses, we must always remember that things could be otherwise. Rather than investing money in non-academics, things could be otherwise. Rather than trying to grow into our athletic program, things could be otherwise. Rather than losing the academically gifted students who lost sight of Stetson's academic value, things could be otherwise.

In light of the data distilled in this report, we present a ten-point plan that sets Stetson University on the right path by 2020.

THE TEN POINT PLAN

Point 1: Move to Divisions II or Division III Athletics

Stetson University far outpaces our institutional peers—those institutions that are of our relative size and endowment, which are the two most important factors for determining commitment to athletic spending. **<u>We do not advocate eliminating athletic programs, firing coaches, or turning away student-athletes,</u>** but simply aligning our level of competition and expenditures with those of other small private universities, including the vast majority of our chosen peers, namely Division II or Division III. As noted above, a shift in athletic division could potentially free up 12-14 million dollars in real operating expenses and (un)funded tuition discount at the DIII level and 5-7 million at the DII level. This number does not include the other associated costs, not tangible and intangible—like non-student athlete morale, which is actually negatively affected by Stetson's strong commitment to Division I athletics.

The immediate benefits would be profound. Not only would our expenditures on non-academics shift to be in line with other institutions, but we would also likely increase our academic quality and retention—as listed above (based on our own internal data showing that lower scholarship and non-scholarship student-athletes – inclusive of Club sports and with the notable exception of football—have higher incoming CI's, retain at higher rates, and achieve higher grades than higher scholarship athletes). These immediate benefits to academic quality and retention would happen in two ways: first, student-athletes would be treated in the admissions and enrollment phases as *student*-athletes, which would increase the retention and academic quality of athletes, but, second, it would free up as much as 6 million in athletic scholarships at the DIII level and 2-4 million at the DII level that would be transferred from athletics to academically strong students. Academic quality is related to first year GPA, which is the single strongest indicator of retention.

Point 2: Staying Grounded in Academics—Administrative Teaching Initiative

Stetson University is entering the same dynamic higher education marketplace that will require more nimble, high-impact teaching and learning delivered by experienced teacher-scholars. Indeed, we have a generous donor-funded Brown Center for Faculty Innovation and Excellence, which is charged with moving Stetson in the right direction on these emerging trends.

And yet, due to the immense growth in academic administration (Academic Affairs, inclusive of the Brown Center) and CLaSS (see below)—the benefits of which are unclear (per above) -- we have a number accomplished faculty, often drawing six figure salaries, teaching few or no classes and conducting little or no research. A decade ago we had few Associate Deans, no Provost, no Associate Provosts, no Brown Center, etc. Now millions of new dollars in salary and benefits are being spent on those administrative aspects of "Academic Affairs", instead of contributing directly to teaching or research. Not to mention how important it is for healthy shared governance and strategic planning that academic leaders, including Deans and (Associate) Provosts, remain grounded in their teaching and research. That is the reason that many top research institutions and liberal arts universities, even those with much lighter teaching loads (usually 2:2 or 2:1) often encourage their Provosts and Deans to teach one class a year. When it comes to Associate Deans and Provosts, the teaching and research expectations could be much higher.

The benefits of such a restructuring of administrative teaching and research expectations are many.:

- First, even garnering, say, 10-12 more such courses from the dozen or so tenured faculty currently serving solely or primarily as administrators is the equivalent of two full-time full professor lines, assuming many tenured faculty already receive a course release for service, which is the equivalent of **saving (adding) nearly quarter million dollars of operating expenses to the academic budget. 15-18 such courses, especially were this restructuring or responsibilities to include the Business School administration, would mean nearly four hundred thousand in savings in terms of full-time, full professor FTE.**
- Second, reintegrating a dozen or more accomplished faculty back into the academic program would help bolster the academic quality, advising loads, and class sizes of a number of departments struggling to keep pace with teaching, advising, and mentoring in the face of enrollment growth.
- Third, it could reduce the number of adjuncts we need significantly, while increasing our percentage of classes taught by tenured faculty and enhancing our reputation in terms of rankings such as U.S. News (which takes both factors into account).
- Fourth, having accomplished faculty whose primary or sole role currently is administration move back to part-time teaching and research would also help with streamlining and potentially reorganizing the various staff and administrative offices. The jobs and responsibilities that can no longer be handled by one individual in the normal course of their job–– some which we would argue are unnecessary and most of which do not require a PhD–– should be handed to the numerous highly competent mid-level-administrators and support staff that have been hired since 2011, or delegated to faculty who in some cases will be compensated with more modest course releases or stipends. Since many faculty accomplish substantial administrative tasks already as part of their normal service load with absolutely no course releases or compensation (e.g. the Chairs of Tenure and Promotion committees, the Professional Development Committee, and various other Senate, College, and University committees, etc.), or modest compensation (many of the Program and Department Chairs), we find it hard to believe that any time or expertise lost by this move couldn't be made up more efficiently by farming it out to staff, existing faculty committees or other full-time faculty with similar competencies who would receive more modest compensation.
- Fifth and finally, should any such positions open up through retirement or departure, this would give Stetson the opportunity to determine whether even the partial administrative responsibilities are still necessary and perhaps return the position fully to the department or school in question.

This reorganization period also invites a level of transparency that many constituencies across campus would welcome.

Recommended Teaching Loads for Academic Administration:

- Provost: one course a year
- Deans: one to two courses a year
- Associate Deans, VPs and AVPs (with PhDs): two to four courses a year, depending on responsibilities

Point 3: Revise and Simplify the Curricula to Encourage Dual Degrees and Majors, and University-Wide Interdisciplinarity

If there is one major trend emerging in student demand it is flexibility and cross-disciplinary academic programming. Stetson University's undergraduate program has a College of Arts and Sciences, a School of Business Administration, and a School of Music, not to mention an excellent Law School in St. Petersburg. And yet, there are considerable and mostly unnecessary curricular and administrative barriers to pursuing dual majors and dual degrees, not to mention inter- and cross-disciplinary majors that most competitors our size cannot offer. We believe that the faculty in the various schools should deliberately simplify College, Division, and Discipline-specific requirements and prerequisites to allow students to complete dual majors and dual degrees within a typical 32 Unit course load. If Stetson's unique or distinctive identity is to be found in our numerous Schools and Colleges, then we should consciously make it a centerpiece of our curriculum and educational experience for students, not further exacerbate our inability to leverage this curricular distinctiveness by creating new schools and new barriers to dual degrees and interdisciplinary (e.g. a Health and Science School). This is precisely the opposite of what a small school that's already so structurally complicated and top heavy in terms of curriculum and administration should be doing. Stetson, in fact, is far more structurally complicated, with four schools on three campuses, than most any peer.

Point 4: Enhance (Not Replace) the Faculty-Centered Advising Model

Perhaps two of the strongest selling points of Stetson to prospective students and families is the small class sizes and the one-on-one relationship students have with faculty. These form the liberal arts cornerstone that can sway students who see a value at Stetson (that they are worth paying for) that they don't elsewhere.

However, with the failure to hire full-time tenure-track faculty to keep pace with ballooning enrollments, both of these factors (small class sizes and one-on-one relationships between student and faculty) were strained and are eroding. Students and faculty are upset that they cannot maintain a close connection with each other, mainly because there are simply just too many students per faculty member to reasonably handle. Moreover, what is "reasonable" to handle is something more robust than that transactional relationship of how many students can fit in a classroom or be shuffled through an on-line learning module. The value of small classrooms and one-on-one advising, if done properly by full-time faculty, is what brings good students away from Gainesville or Tallahassee and puts them in Deland.

Unfortunately, much of the conversation about advising—one of the two important factors—has shifted away from the faculty-centered model and has replaced it with "professional" advisors in CLaSS. While at significantly larger places, or places that do not need to leverage their value proposition on one-on-one student and faculty relationships, such bureaucratic professionalization may be more efficient, at Stetson it is counterproductive.

To this end, we should not only increase full-time, tenure-track faculty, but we should move all of the resources that have gone toward "professionalizing" the advising relationship to maintaining and enhancing Stetson's value proposition: faculty-centered advising. This would entail transferring resources to adequately fund more faculty, but also provide course releases or stipends for faculty-driven service. Stetson University has the resources to fix our advising disconnect—i.e., students who are dissatisfied with advising because it has become too transactional and it is not one-on-one with faculty—we just need to properly use that money—putting it in faculty development, not in non-academic bureaucracy.

Point 5: Invest in Diversity and Inclusion in Faculty and Across Campus

We have talked a great deal in recent years about the need to enhance Stetson's ethnoreligious, GLBT, cultural, and geographic diversity, working toward creating a campus climate of inclusion. And yet very little money has been invested in this regard, at least in terms of the academic program, whether in regard to creating additional tenure track lines aimed at enhancing diversity or providing more academic and need-based scholarships that help attract ALANA and international students. Indeed, most new expenditures in this area have been made, predictably, in hiring new administration and expanding Division One athletics. DI Athletics in particular is a costly and inefficient method of enhancing diversity in comparison to Division II or III athletics, much less simply offering equivalent or lesser scholarship monies to students of color or international students based primarily on academic ability (a much better predictor of academic success, retention, and graduation at Stetson than athletic ability). If we truly believe that diversity and inclusion stand at the core of the university mission, some proportion of these new monies should be spent on enhancing faculty and student ethnoreligious, cultural, and geographic diversity.

Point 6: Faculty Compensation

Stetson's faculty and administration have long been concerned, rightly, with their under-market compensation. Much progress was made between 2012 and 2015. But never having reached the fifty percentile, despite many fewer full-time faculty per student and relative to operating budget in 2015 than in 2009, we have since fallen further behind peers. While many may see this as self-interest, from an institutional perspective, faculty compensation is a long-term, direct investment in our various goals—e.g., retention rates, graduation rates, reputational rankings, etc. Faculty compensation not only helps bring in world-class faculty, but it also helps maintain faculty once they are in Deland. The continuity for many students through their four years at Stetson—their close work with the same faculty members—is what builds the relationships that last a lifetime after graduation. The relationship between faculty and student is Stetson's value proposition. Just like in major sports teams, a turnover or long-term loss of morale in coaching staffs and players and makes it difficult for teams to achieve their best performance, so, too, does that happen in our departments at Stetson when faculty leave or decide that Stetson no longer values their contributions or supports their professional development relative to other projects—which is increasingly a problem as we are continuing to rely on contingent faculty, on the one hand, and tenured faculty who feel increasingly marginalized in governance, decision-making, and resource allocation on the other. Students are players in this analogy, and they struggle to find community and recognize the value of a Stetson education when there is variability, turnover, poor morale, or insufficient commitment in faculty personnel. To this end, as the Senate has asked for before, we suggest that we tether Stetson's faculty compensation to the averages of our peer groups (who share commitment and recognize the value proposition of the University in the faculty student relationship).

Point 7: Invest in Faculty and Student Research and Professional Development

If we move away from privileging the athletics program, and reorganize and redirect the administrative and other non-academic offices of the University, we will have saved millions in operating expenses and (un)funded discount, while increasing the baselines on a number of key factors that contribute to a healthy university—e.g., academic quality, retention and graduation rates, etc.

With some of those savings, we can remedy one of the major issues that both students and faculty have brought up: increasing the reputation and awareness of Stetson through faculty research and teaching, and through funding unique, innovative student academic opportunities. Faculty having the time and resources to pursue an active research agenda is at the core of our **Teacher-Scholar Model** and informs everything faculty do in the classroom, in advising, in helping students develop their own professional skills and in mentoring undergraduate research, a core aspect of Stetson's Value Proposition. And yet, the last four to five years of booming new revenues have seen nominal (relative to inflation) to no increases in faculty or student research monies, junior and senior faculty course releases for scholarship, and now both modest Summer Grant Budgets and travel monies (barely $300,000 combined) threaten to see a decrease while the athletics budgets, including travel monies, have ballooned to 18 million. Per the Budget Reallocation Document of 2014-2015, we need to spend at least a couple hundred thousand more on faculty and student research and professional development in the short-term and increase it by tens of thousands more a year until our research and leave programs more closely approximate those of peers like Puget Sound and regional competitors like Rollins or Elon.

Point 8: Change the Admissions and Enrollment Emphasis from Athletes to Academically-Strong Students

Stetson currently allocates about 100 full-ride scholarships to athletes (about $6,000,000) as a consequence of being Division I. If we move out of Division I, we no longer need to provide these scholarships to athletes. Instead, we could focus some or all of these scholarships toward recruiting specific academic students. For example, we could fund a wide expansion of the Honors program or the Bonner program, both student groups who retain and contribute to the academic vibrancy on campus. Or, as another example, some of this scholarship money can be placed in a fund to help specific students in specific majors that we think are of institutional priority. The purpose of this money is to help resource our enrollment and admissions goals so that we bring in students who are aligned with our overall mission as a university—both in terms of academic rigor, but also in terms of meeting our bottom line.

Point 9: Stabilize Undergraduate Enrollment at 2,800 Students

Many across campus are of the opinion that lowering enrollment will necessarily lead to trimming the already bare academic budgets. If we remained in Division I and we did not reorganize our various non-academic offices around the organizing principle of faculty-student relationships—our value proposition—then we would, indeed, lose a considerable amount of money in net tuition review by dropping nearly 400 students from our enrollment. However, if we did many of the things listed in this document, moving down to 2,800 students or so is "right sizing" the institution and would likely provide a few million more in additional revenue for academics at the same time.

For example, because of our commitment to Division I, which has us put 100 full-ride scholarships in athletic recruitment and the "stacking" of academic monies on top of athletic scholarships for students whose total discount would be much lower were they non-athletes we bring in hundreds of students who pay a fraction of what non-athletes pay in tuition. And since such unnecessary expenditures necessitate increasing enrollment even more aggressively in order to acquire every little bit of marginal net tuition revenue, our overall discount rate for non-student athletes has also reached higher than necessary (or sustainable) levels. In other words, we bring in more and more students who pay less and less. In fact, in 2017-2018, we brought in more students and had a larger student body but made less money on tuition revenues. In other words, we *already should have fewer students.*

According to the admissions data on 2017 first year students, we had 866 students at census,118 of which were athletes. The average net tuition revenue for 498 students (i.e., those students who are not athletes, in the School of Music, Bonner, ROTC, or Honors) was about $20,200. For the 118 athletes (not including football), their net tuition each was $7,475. So, for the total tuition of the 118 athletes—$882,079—we would only need about 44 non-athlete students to cover the tuition difference. In other words, **by eliminating Division One athletic scholarships, we would need 70 fewer students than what we brought in Fall 2017, keeping the identical bottom line.**

In short, decreasing enrollment does not necessarily mean decreasing spending or that people will lose their jobs. In fact, our argument is exactly the opposite: decreasing enrollment by working not to recruit students who pay very little tuition and/or achieve very low academic outcomes/retention helps us enhance academic quality and much of our financial gains, while increasing retention and hence net tuition revenue. It would likewise help stabilize the institution by shielding us a bit more reliably from uncertain and turbulent future markets where enrollments of any kind will be hard-won—and the larger the enrollment, the heightened risk.

Modestly decreasing first-year enrollment also solves a lot of the issues addressed above: it would diminish the strain on faculty-student advising, it would bring our student-faculty ratio down to match our marketing materials, it would lower our average class sizes (without requiring vast numbers of new faculty), it would ease registration woes, and it would make our budget forecasting much easier. Most importantly, decreasing enrollment would allow the University to actually be able to deliver on its value proposition.

Point 10: Market and Resource Stetson as Florida's First Premier Small, Liberal Arts-Based University

Among the many things that students tell us, and as the data in the student satisfaction survey confirms, there is a significant disconnect between what students are told about Stetson and what they experience upon attending.

For many, Stetson offers small classes and intimate relationships with faculty. They are hard pressed to find either in their first semesters on campus. Indeed, as an example: as has been the case for years, the cap for their first-year seminar (FSEM) has increased again in 2018 to 18. This is their first course at Stetson, an institution that boasts small class sizes and 14-to-1 student-faculty ratios. Yet, at 18 students or higher in some courses, this is not what they experience in their opening weeks. Meanwhile, many of their other first-year classes have increased from 16-24 in 2009-2010 to 28-35 in 2018-2019. How can students and parents (and faculty) not perceive this as a decline in Stetson's Value Proposition?

Or, again, consider marketing materials that prominently promote athletics over academics. Considering that most of our students do not attend Stetson to play or watch Division One sports, and are not interested in that kind of community, there is reason to believe that our university marketing is sending mixed signals to the kinds of students that Stetson is built for. Promoting faculty books, articles, and creative activities, which cost Stetson very little and often reach the best national and international venues, including major periodicals, and media outlets, would seem a much safer bet—one far better aligned with our mission.