Tuesday, September 8, 2009

INCREASING NON RESIDENT ENROLLMENTS AT UCSD

EXECUTIVE SUMMARY

The difficult budgetary climate requires the campus to seek out opportunities to generate new and reliable sources of revenue to support the basic academic mission of the campus. Increasing non-resident undergraduate enrollments will generate incremental fee and tuition revenue that will support the costs associated with these students as well as a significant amount of revenue that can help to make up for unprecedented reductions in State funding.

TIGER TEAM RECOMMENDATIONS

1. Increase Non Resident undergraduate enrollments from the current level of roughly 1,255 to approximately 2,200 (~9% of total undergraduate enrollments).

2. Increase freshmen and transfer non-resident undergraduates and phase the increase over a multi-year period of approximately 5 years.

3. Evaluate and admit applicants consistent with the academic standards and criteria established by the Academic Senate.

4. Engage in effective and efficient marketing and outreach activities designed to increase Non Resident undergraduates recognizing opportunities in States proximate to California and International populations

5. Support System-wide Initiatives to market to Non Resident populations and partner with UCSD offices that have existing infrastructures that can boost this effort, such as ESPP, International Center, IR/PS, and the Office of International Affairs

6. Provide adequate resources to cover the costs incurred to recruit, admit and support these students in their academic programs.

7. Allocate additional revenue to support the academic enterprise that has been eroded by severe reductions in State support.
INTRODUCTION

UCSD and the University of California are currently experiencing the most significant threat to the State funded budget in their history. State funds have historically made up the biggest portion of the University’s core funds, a combination of primarily State, Fee and research overhead funding sources that support the academic mission of instruction, research, and public service. This erosion in support is resulting from real cuts in State funds as well as increases in essential costs that are not being covered from increases in State funds. This funding gap is expected to be a sustained problem that will persist even after the current State budget crisis has subsided. The University is faced with the challenge of reducing costs and identifying new sources of permanent core funding in order to balance the budget. Among other ideas for the generation of new revenue sources, increasing non-resident undergraduate students would provide a source of new and ongoing operating revenue.

NON-RESIDENT ENROLLMENTS

UCSD has historically admitted fairly small numbers of non-resident undergraduate students, both domestic and international, relative to the total undergraduate population. In the 2008/9 Academic Year there were 552 new undergraduate non-residents. 322 were freshmen and 230 were new transfer students. Until 2008/09 the UC campuses had little incentive to pursue non-resident enrollments. Among the several reasons were the lack of a financial incentive for campuses since all non-resident tuition went into the UC General Fund, and the political concerns regarding the potential displacement of California resident students.

In 2008/09 UC changed the budget and financial model for non-resident enrollments. Each campus was given a base enrollment budget required to maintain the existing campus base budget. Campuses were provided an incentive to enroll beyond this base as all non-resident tuition revenue is retained by the campus as incremental funding. At the 2009/10 level of $22,000 with no mandatory reduction for financial aid, the potential additional revenue for a campus is significant. In addition a campus would be allocated the normal revenue from Education and Registration Fees as well as campus based fees paid by these students.

Finally, but importantly, UCSD is currently admitting almost all of the qualified non-resident applicants who are applying for admission. An enhanced outreach and marketing effort would be required to
successfully increase the applicant pool of Non Resident undergraduates that would result in an increase of qualified admitted and enrolled students from this population. As these students become more of a target for other universities the effort required to successfully recruit, admit and enroll non-resident students will ratchet up. It is encouraging that the Office of the President has initiated some activities to support a System-wide effort to attract Non Resident students. Director Brown is already participating in this effort.

SETTING A NEW TARGET

The base UCSD non-resident (NR) enrollment budget is 960 undergraduates and 1,185 graduate and professional students including the Health Sciences. Thus the total non-resident enrollment base is 2,145 and the associated revenue budget is $31.2M. From a revenue budget perspective it doesn’t matter that the targets are hit for each type of student as long as the total $31.2M revenue is generated. However for the purposes of this discussion we assume that the graduate targets will hold their own and generate the related target of $12.9M. The undergraduate NR base of 960 enrollments will generate the remaining revenue target of $18.3M.

In 2008/09 UCSD had a budget of 960 NR undergraduates representing 4.3% of total undergraduate budgeted enrollments. The estimated actual enrollments at that time were 1255 NR out of a total of 23,842 undergraduates for a 5.2% share of total undergraduates. This compares to Berkeley with an estimate of 7.4% NR undergraduates and UCLA at an estimated 7.0% NR undergraduates. A recent budget planning report from UCLA identifies a NR enrollment target of 9% of total undergraduates. The committee agreed that a suitable target for UCSD would be slightly under the Berkeley and UCLA targets. A target of 9% would generate a goal of about 2,200 additional NR undergraduate students. Note: very recent information suggests that at least Berkeley will be increasing their targeted NR undergraduate population to 17% of undergraduate students.

In order to reach a new target of 2,200 NR undergraduate students a target for both freshmen and transfer students as well as domestic and international students would need to be set. These targets are necessary to ensure that the total NR enrollments are met and to identify and implement an appropriate outreach and marketing strategy to successfully meet the new goals.
Note: The campus should separately consider the opportunity to increase Non Resident Masters students. These students should be primarily self-funded and could contribute a meaningful new revenue source to support campus priorities as well as providing sufficient funding for the instructional needs of their programs.

ACHIEVING A NEW TARGET

Successfully recruiting a new and higher target of NR students will require careful planning and execution and appropriate resources. The UCSD Admissions Committee has recently reiterated their support for existing academic standards for Non Resident enrollments. Non Resident students are not only expected to be as qualified as California resident students, they do not have the advantage of the established California high school curriculum that is set up to work with UC admission standards. The qualifications of international students are specially reviewed by qualified UC professionals and academics that understand the education systems and standards of different countries and can compare their applications to standard UC criteria. This kind of academic scrutiny requires specially designed outreach and marketing in order to attract students who not only want to attend UC but are qualified to attend and likely to succeed.

The UCSD Admissions Office has begun a number of initiatives in anticipation of an increased target for Non Resident undergraduate students. Efforts include partnering with other UC campuses to efficiently market the UC system as well as individual campuses. In addition the Director has made overtures to some of the existing campus entities that have already developed a useful infrastructure. The international programs of the UCSD Extended Studies and Public Programs (ESPP) and the International Center are particularly interested in assisting with this effort. Partnering opportunities are also being discussed with the Office of Graduate Studies student affairs group to take advantage and possibly expand of their outreach and efforts. The Admissions’ web site is being modified to include specific sites targeting prospective non-resident students. Director Brown has expressed concern about the resources that would be required to successfully achieve an increased Non Resident enrollment target. She manages her units in a resource constrained environment and would require some assurance that appropriate non State funds would be made available for this purpose. This should not be a real concern as a portion of the revenue generated from the increased NR enrollments should be used to cover the increased costs associated with their support and education before allocations are made for
other priority purposes. Director Brown should be asked to develop an outreach and marketing plan and budget as well as specific targets to reach the desired enrollment increases within 5 years.

SUPPORTING NON RESIDENT UNDERGRADUATES

As noted above there will be costs associated with increased numbers of non-resident enrollments. Not only the costs related to the outreach and marketing needed to successfully attract them, but the normal costs to support, advise, and educate them. As a placeholder the Education fee, Registration fee, and an amount of non-resident tuition equivalent to the State support for resident students should be sufficient to support their normal education and related costs. In 2007/08, the last year that State Workload funds were allocated, $8,566/SFTE was allocated to the campus per SFTE. Combined with Ed Fee funds, $11,870 per SFTE was allocated net of financial aid. Increases in Ed and Reg Fee rates since 2007/08 would increase this rate in future years. Tuition revenue beyond this would be approximately $15,000 per SFTE or over $14 M for 950 additional NR SFTE. The committee agreed that additional and enhanced support would be required to successfully provide a program for International non-resident students. This enhanced support would center on their specialized programming needs to support 12 month residency and cultural acclimatization. Additional work is needed to fully identify the costs associated with these needs.

SUMMARY

Increasing non-resident undergraduate enrollments at UCSD by a modest amount should be feasible and should generate a significant amount of funds to help offset severe reductions in State funding. Implemented over a multi-year period will ensure a smooth transition to a higher and sustainable number of non-resident undergraduate students.

NEXT STEPS

1. Commit to a target increase in NR enrollments in each Freshmen and Transfer classes for Fall 2010 that is consistent with a 5 year phase in to 2,200 NR undergraduate enrollments.
2. Ask Director Brown to submit an outreach and marketing plan to achieve the target growth.
COMMITTEE MEMBERS

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