

University of Kansas
Changing for Excellence

Phase II Business Case Executive Summary
International Enrollment Management - Lawrence/Edwards

November 4, 2011

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Overview – Phase 1 findings

Huron identified opportunities at the Lawrence and Edwards campuses related to enrollment management in the range of \$8,580K - \$15,530K.

Phase I Challenges and Opportunities – Enrollment Management

- Freshmen enrollment has dropped from a high of almost 4,500 (2008) to just under 3,700
- Persistence rates are low (76%), compared to a peer average of 84%; KU ranks 9th among 10 peer benchmarks (10 being the lowest persistence)
- Of its peers, KU charges the least for room and board, but has the smallest percentage of first-year students living on campus
- Students perceive that KU's financial support is lower than schools of similar size; the majority of KU's scholarships are awarded by individual schools in a decentralized manner, often after the school year has started or later in the student's academic career
- New scholarship and enrollment policies are being deployed; however, buy-in and support is needed from the colleges/schools which awarded less than \$250K in *new* freshman scholarships last year
- KU maintains only 4 minor articulation agreements (affecting 60 students annually)
- Students report that to be successful at KU first-year students must be proactive—information exists, but it is difficult to find
- Requests for necessary process changes in enrollment functions are on hold due to IT constraints and resource needs

Goals – Enrollment Management

- Increase domestic student enrollment and persistence
- Increase international enrollment
- Increase the percentage of students who utilize student housing

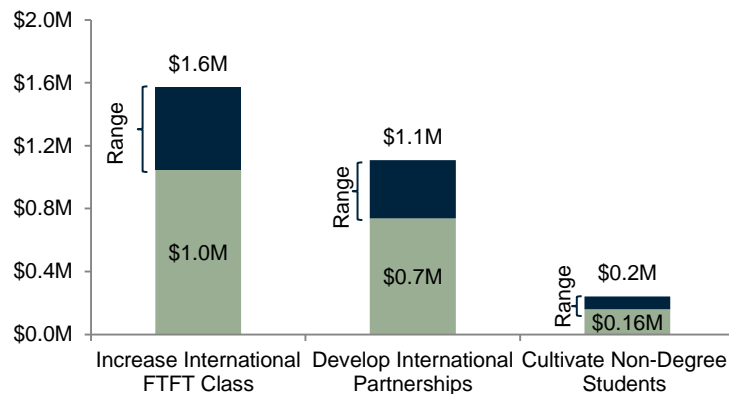
Annual Financial Opportunity – Phase I International Enrollment

Cost Savings	Resource Reallocation	New Revenue (International)
N/A	N/A	\$1,340K - \$1,790K

International enrollment analysis – opportunity

Increasing the number of international students coming to KU is a significant revenue opportunity for KU over time.

Phase II – Average Annual Impact¹



¹Average of four years, years 2 – 4 (excludes current FY)

Phase II – Business Case Financial Summary

- Increased enrollment through partnership development and recruiting focus will take time to develop; small benefits will be demonstrated early; however, it will take time to develop relationships to reach full enrollment targets
- Based on further discussions and the refinement of strategies by the workgroup, the revenue projections have been increased from the initial assessment in Phase I
 - International enrollment targets call for increasing the number of international FTFT in each class by 110
 - An additional 35 international students will be added annually through partnership agreements
 - An additional 50 student annually will participate in non-degree programs

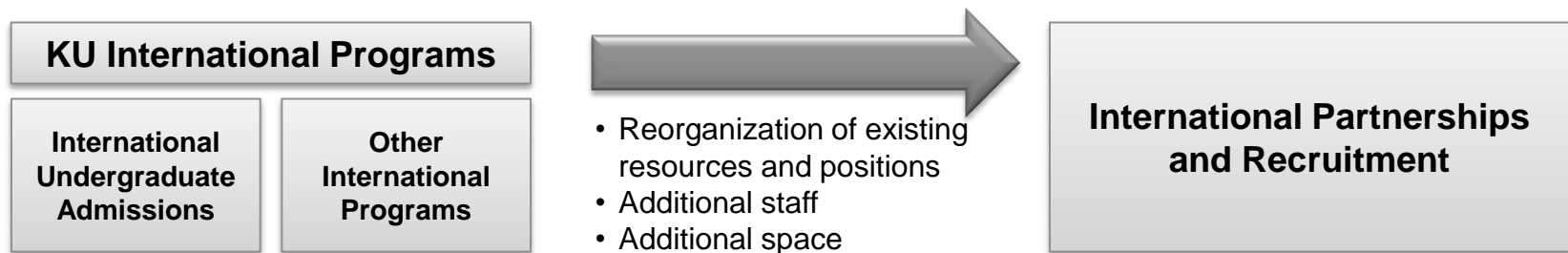
Five Year Cumulative Impact ² (Expected Case)	\$000s (parentheses denote costs)
Degree-seeking students	\$9,498
Non-degree students	\$802
Investment Requirement (total)	(\$1,151)
Net Benefit	\$9,149

²Year 1 is FY12, which is a partial year

Resources needed to grow international enrollment

The office of international programs should reorganize to create the infrastructure necessary for strategic and sustained enrollment growth.

- While international enrollment management is similar to domestic enrollment management, it is different in critical respects:
 - Similar to domestic students, international students need to feel that they are understood and valued by KU, with clear and consistent communications from the prospect to enrollment stages
 - However, international students have unique needs: verification of financial ability, foreign transcript analysis and GPA conversions, verification of language proficiency, international credit transfer, immigration documentation, visa processes and regulatory compliance, cultural adjustment, and, for some, entry to KU via the AEC
 - Unlike domestic recruitment, international enrollment can be greatly enhanced by building on the global linkages of KU's international programs, faculty, researchers and schools – these critical links can be an effective foundation for long-term relationships that funnel international students to KU
- To expand international enrollment, International Programs should reorganize, shifting the International Undergraduate Admissions area from International Student and Scholar Services into a new, larger unit titled ***“International Partnerships and Recruitment,”*** which will have formal responsibility both for direct international recruitment and for the establishment of productive long-term relationships abroad.



Financial model – notes and assumptions

A series of assumptions were required to estimate the financial impact of the International Partnerships and Recruitment business case.

Notes	Assumptions
<ul style="list-style-type: none">• New full time freshmen (FTFT) will increase by 110 over five years, to a total of 200 international FTFT each fall• A total of five new international partnerships will be developed over five years, with a minimum of six to eight students enrolling at KU annually through each partnership• KU will attract international students for non-degree experiences, expecting students to spend a minimum of one semester at KU; the program will attract 5 students in the first year, and ramp up to a total of 50 students per year by year five• The projections above are conservative estimates of the number of students that these efforts will attract, and recognize the potential volatility of the international market and the need to test target markets for partnership viability	<ul style="list-style-type: none">• Degree-seeking international students will continue to persist at a rate of 85.7% from the first to second year, 71.5% from the second to third year, and 70.3% from the third to fourth year• KU does not currently have international students enrolled in non-degree programs• Net tuition for international FTFT and Transfer students is \$21,750 USD per year• Each cohort of students locks in the tuition rate for their academic career• There is a 4% annual tuition increase for each new cohort over the previous year's tuition• Net tuition for non-degree-seeking students is \$10,875 USD (assumes one semester spent at KU)• Transfer students recruited through an international partnership will spend two years at KU• Space can be identified in a short time frame for new staff so that new staff can be on-boarded in early January• The \$54K that is currently allocated annually to the IRAC committee will be retained in the recruitment budget going forward

Financial model

The financial model examines benefits achieved from increasing FTFT, partnership revenue, developing a non-degree program.

Expected Case (\$000's)

(increase FTFT by 110, add 5 partners and 50 annual non-degree students)

Benefits	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
FTFT	0	226	1,017	1,701	2,862
Partnership	0	158	630	1,280	1,624
Non-degree	0	57	118	245	382
Total	\$0	\$441	\$1,765	\$3,226	\$4,868
Costs					
Salary & Fringe	67	138	142	146	150
Grants	19	28	28	28	28
Other	71	73	75	78	80
Total	\$157	\$239	\$245	\$252	\$258
Net	(\$157)	\$202	\$1,520	\$2,974	\$4,610

Low Benefits Case
(assumed 20% less tuition revenue realized)

Net Present Value **\$6.8M**

High Benefits Case
(assumed 20% more tuition revenue realized)

Net Present Value **\$10.8M**

Net Present Value (Expected Case): \$8,780,936

Risk assessment summary

Brand and reputation risk presents the most significant challenge when increasing international partnerships and enrollment at KU.

- KU must continually protect its brand and reputation as the University moves forward in the global marketplace:
 - The utilization of recruiting agencies is controversial and could impact the University's reputation and ranking abroad and in the US.
 - Potential partnerships must be evaluated for impact on KU's brand and reputation, especially in any instance where the partner will be advertising KU's programs or support.
- Faculty support and assistance with international enrollment will be key in achieving optimal growth:
 - A willingness to partner with international entities and develop joint programs
 - Sharing of international linkages and opportunities with International Programs
- International student markets can be volatile and are reactive to external forces that KU has no ability to influence; diversifying the base of students recruited will help to temper this volatility, as will developing sustainable partnerships built on strong relationships and mutual benefit

Brand and reputation management can be addressed through careful vetting of potential partners, associates, and agents coupled with standard University-approved contracts and central knowledge of activities.

Approach

The table below depicts the high level tasks necessary to implement international partnerships and increase enrollment.

Mobilize: Necessary Infrastructure	Design: Markets and Strategies	Deploy: Implement Strategies	Optimize
Nov. 2011 – Feb. 2012	Jan. – May 2012	Jan. – Oct. 2012	July. – Dec. 2012
<p>Tasks</p> <ul style="list-style-type: none"> • Reorganize International Programs to create formal recruitment and partnership infrastructure • Finalize membership of Workgroup Implementation Committee 	<p>Tasks</p> <ul style="list-style-type: none"> • Assess international graduate student enrollment trends • Vet outsourcing opportunity: agents 	<p>Tasks</p> <ul style="list-style-type: none"> • Pursue/support existing & new international linkages/ partnerships • Deploy grant program for faculty/department recruitment involvement and creation of new partnerships • If KU policy supporting agent use is approved, propose a pilot initiative 	<p>Tasks</p> <ul style="list-style-type: none"> • Re-evaluate strategies • Measure KPIs
<p>Deliverables</p> <ul style="list-style-type: none"> • Staff on-board • Complete committee 	<p>Deliverables</p> <ul style="list-style-type: none"> • Report on international graduate student trends; plan to increase enrollment • Whitepaper outlining risks and benefits of utilizing agents • University decision on the use of agents 	<p>Deliverables</p> <ul style="list-style-type: none"> • Identified target markets • Partnership targets • Recruitment contacts • If KU policy supporting agent use is approved, active agent recruitment 	<p>Deliverables</p> <ul style="list-style-type: none"> • Increased enrollment • Revised strategies for following year • Report to Executive Committee on progress against KPIs

The detailed implementation plan is provided as an MS Project Plan, detailing the individuals responsible for each of the tasks involved in the next steps implementation plan.



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