University of Kansas
Changing for Excellence

Phase II Business Case Executive Summary
Domestic Enrollment Management
Persistence – Lawrence/Edwards

November 4, 2011

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Overview – Phase I 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 (currently 79%), 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

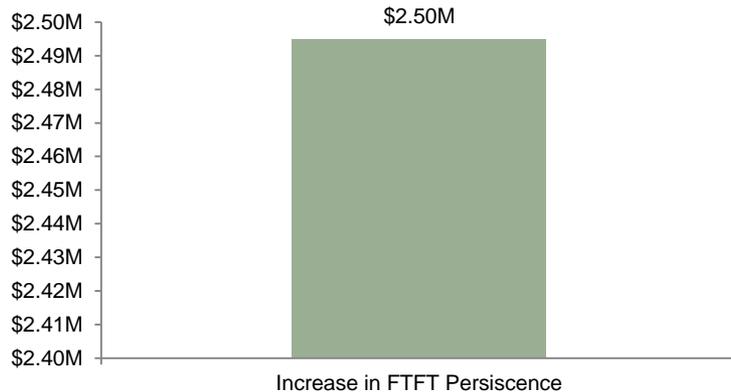| Goals – Enrollment Management |
| --- |
| • Increase domestic student enrollment and persistence |
| • Increase international enrollment |
| • Increase the percentage of students who utilize student housing |

Phase I Annual Financial Opportunity – All Enrollment Management		
Cost Savings	**Resource Reallocation**	**New Revenue**
N/A	N/A	$8,580K - $15,530K

Phase II – persistence analysis – opportunity

Opportunities exist for KU to increase and stabilize enrollment levels via targeted student programs and organizational enhancements.

Phase II – Average Annual Impact	Phase II – Business Case Financial Summary

Phase II – Average Annual Impact

$2.50M

$2.50M
$2.49M
$2.48M
$2.47M
$2.46M
$2.45M
$2.44M
$2.43M
$2.42M
$2.41M
$2.40M

Increase in FTFT Persiscence

[1]*Average of four years, years 3 – 6 (excludes current FY and following year – persistence revenues have a 1 year lag)*

Phase II – Business Case Financial Summary

- The University is poised to realized approximately $9.98M in net new revenue over six years if persistence enhancing initiatives are successful (because rate is phased in, savings increase in out years)
- The initiatives outlined in this business case are largely underway, and some funding requests have already been submitted – all costs are reflected in this business case to provide a complete picture
- Resources required are attributed to each component to allow for decision making
- The workgroup has set ambitious but attainable persistence goals which will put KU in the middle of its peer group for persistence – over the nest four years, persistence will increase incrementally to 85%
- Increased persistence will both increase revenue and improve KU's ranking

Five Year Cumulative Impact[1] (Expected Case)	000s (parentheses denote costs)
Revenue	$5,487
Investment Requirement (total)	*($2,577)*
Net Benefit	$2,910

[1]*Year 1 is FY12, which is a partial year*

Update – phase II findings

This business case focuses on increasing KU's persistence rate to 85% over time.

Phase II Findings
• Persistence rates are low (currently 79%), but have increased over the past year
• Compared to a peer average of 84%; KU ranks 9th among 10 peer benchmarks (10 being the lowest persistence); this assessment considers peers with similar student profiles to KU
• Programs are under development within several KU departments to increases persistence; these are at varying levels of implementation and funding status for next year
• Past efforts to increase persistence, such as residential learning communities, have lacked faculty buy-in and lagged in student participation; plans for current efforts are addressing these challenges

• KU lacks a central owner of persistence; programs are managed by disparate departments in an uncoordinated manner; the current reorganization of the Student Success department attempts to overcome this; this business case also focuses on bringing efforts together around two critical programs:
     • Early Warning System (EWS)
     • Learning Communities

• Enrollment management has the ability to identify incoming students who are at-risk for failure to graduate; these students can be required to participate in programs designed to increase retention

Phase II Goals
• Increase persistence and retention
• Implement an Early Warning System to identify students while intervention is still possible
• Implement learning communities, including the components of: Residential/Non-residential communities, Supplemental Instruction, Block Enrollment, First-Year Seminars, and a Common Book Program

Financial model – notes and assumptions

A series of assumptions were required to estimate the financial impact of the persistence business case.

Notes	Assumptions
• Current-state persistence is 79.9% for domestic FTFT • Current-state sophomore to junior persistence is 71.4%, and junior to senior persistence is 64.7% • Student persistence rates are presumed to increase to 85% by the end of the third implementation year. • Incremental persistence rates are 81%, 83%, and 85% through the third implementation year • The persistence drivers case assumes enrollment levels remain constant across cohorts • International student enrollment is evaluated in the International Enrollment Management business case	• There are currently a total of 3,580 FTFT domestic freshman • In-state net tuition for domestic FTFT freshman is $7,634 USD per year • Out-of-state net tuition for domestic FTFT freshman is $19,170 USD per year • Sophomore to junior and junior to senior year-over-year persistence remains constant at current levels • Tuition rates can and will be locked by each incoming freshman • The model only accounts for a maximum of four years of revenue for students • Tuition will increase at a rate of 4% for subsequent cohorts (e.g. Cohort 2 tuition rates will be 4% greater than the tuition rates for Cohort 1)

Financial model

The financial model examines the benefits achieved from increasing FTFT persistence rates.

Expected Case ($000's)

Benefits	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Cohorts 1 – 4	$0	$0	$472	$1,647	$3,368
Total	$0	$0	$472	$1,647	$3,368
Costs					
Salary & Fringe	$59	$295	$303	$312	$322
Stipends	125	72	144	192	256
Other	150	83	86	88	91
Total	$334	$450	$533	$593	$669
Net	($334)	($450)	($61)	$1,054	$2,699

Net Present Value (Expected Case): $2,759,438

Note: 0.95% discount rate (5 year municipal bond, 8/18/11)

Risk assessment summary

Implementing the strategies outlined to increase persistence present little risk.

- Freshmen to sophomore persistence is a critical component of KU's ranking compared to peers; improving this metric will boost the University's reputation

- The most significant risks are related to faculty and student buy-in
  - Strategies previously implemented at KU did not have the full support and involvement of the faculty; the workgroup has suggested stipends to align faculty interest with the persistence goals; in addition, faculty and academic departments will be more involved from the early stages of implementation than they were in the past
  - Student participation in past program was not as robust as hoped; planned strategies to overcome this include mandating programs for at-risk students, developing programs better aligned with student interests, and increasing the outreach to students

- While some strategies are financially costly, programs are outlined in components enabling KU to redirect funds in the future if student adoption is low or results are not realized

All of the initiatives outlined in this case are in various stages of planning; coordinating efforts and communication among teams will enhance the success of these efforts.

Approach

The table below depicts the high level tasks necessary to increase enrollment and improve persistence.

Mobilize: Necessary Infrastructure	Design: Markets and Strategies	Deploy: Implement Strategies	Optimize
Nov. 2011	Nov. – Jul. 2012	Dec. 2011 – Dec. 2012	Mar. – Nov. 2012
Tasks • Finalize membership of Workgroup Implementation Committees • Determine Early Warning System (EWS) • Funding models and planning for FYS	**Tasks** • Determine aspects of Learning Communities to be Implemented • Contact faculty and plan for SI • Plan for Block Enrollment • Develop pilot for FYS and redesign orientation seminar • Determine common book	**Tasks** • Pilot EWS and train staff • Implement SI • Offer block enrollment to freshmen • FYS offered • Finalize courses for Residential LC • Develop common book website	**Tasks** • Full rollout of EWS • Re-evaluate strategies • Measure KPIs
Deliverables • Complete committee	**Deliverables** • Block enrollment strategy for fall • Decision, location and courses for Residential LC • Courses identified for SI	**Deliverables** • EWS staff on-board • SI in place • 12 FYS • Orientation seminar for at-risk students • Marketing for residential LC deployed	**Deliverables** • 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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