

Enrollment and Academic Finance

An offering of Higher Ed 101

Lisa Angeloni, VP for Enrollment Mgmt.

William Keep, Interim Provost

Kate Foster, President

The College of New Jersey

February 17, 18, 20, 2020



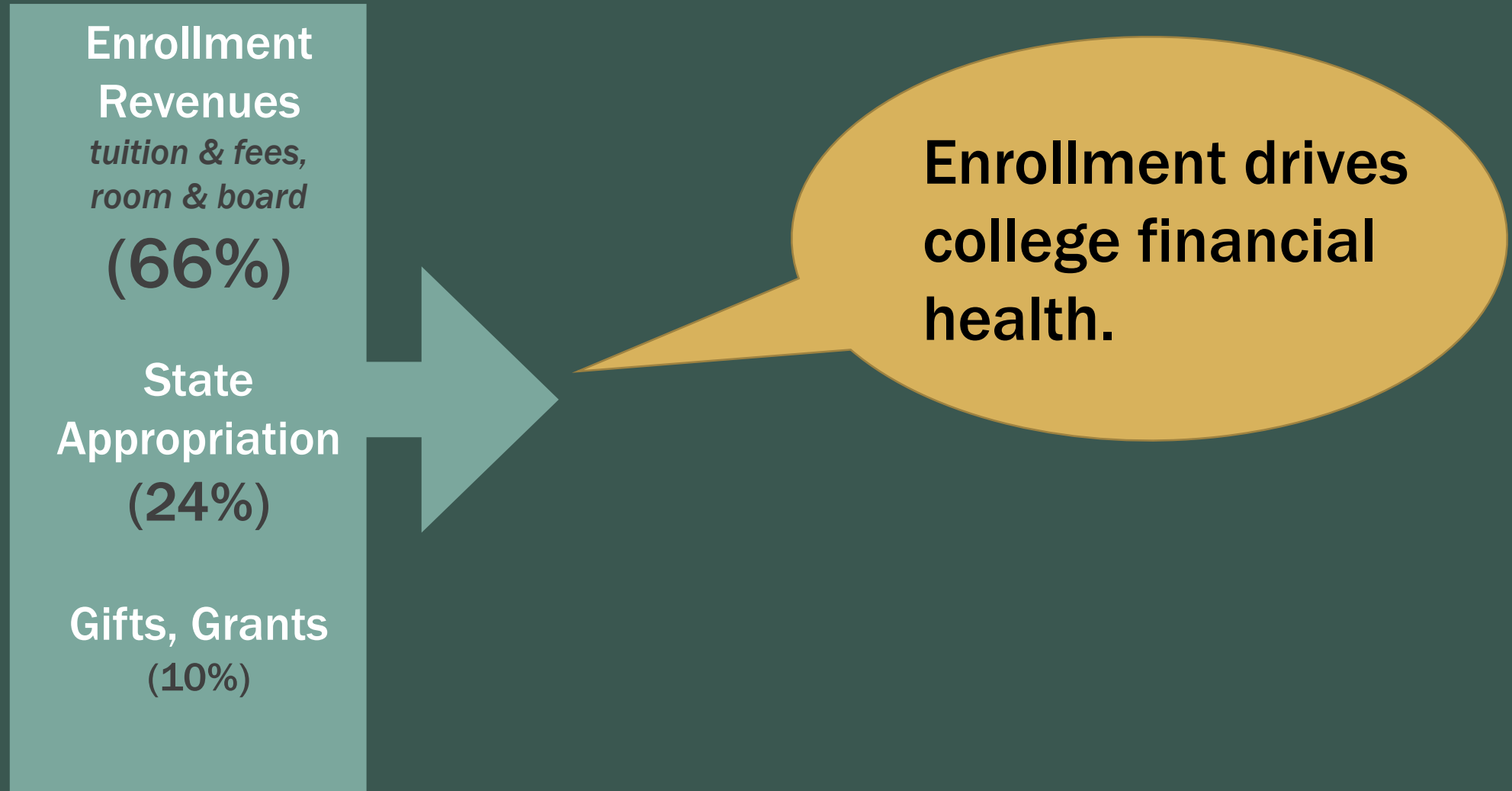


Presentation

- I. Premises and Trends
- II. Enrollment Finance
- III. Academic Finance
- IV. The Road Ahead

Premises and Trends

Enrollment = Revenue.



Premises and Trends

Academic choices are also key to college finance.

1. Class Size vs. capacity

**2. Mix of tenure-track vs.
adjunct faculty**

**5. Level and type of
academic supports**

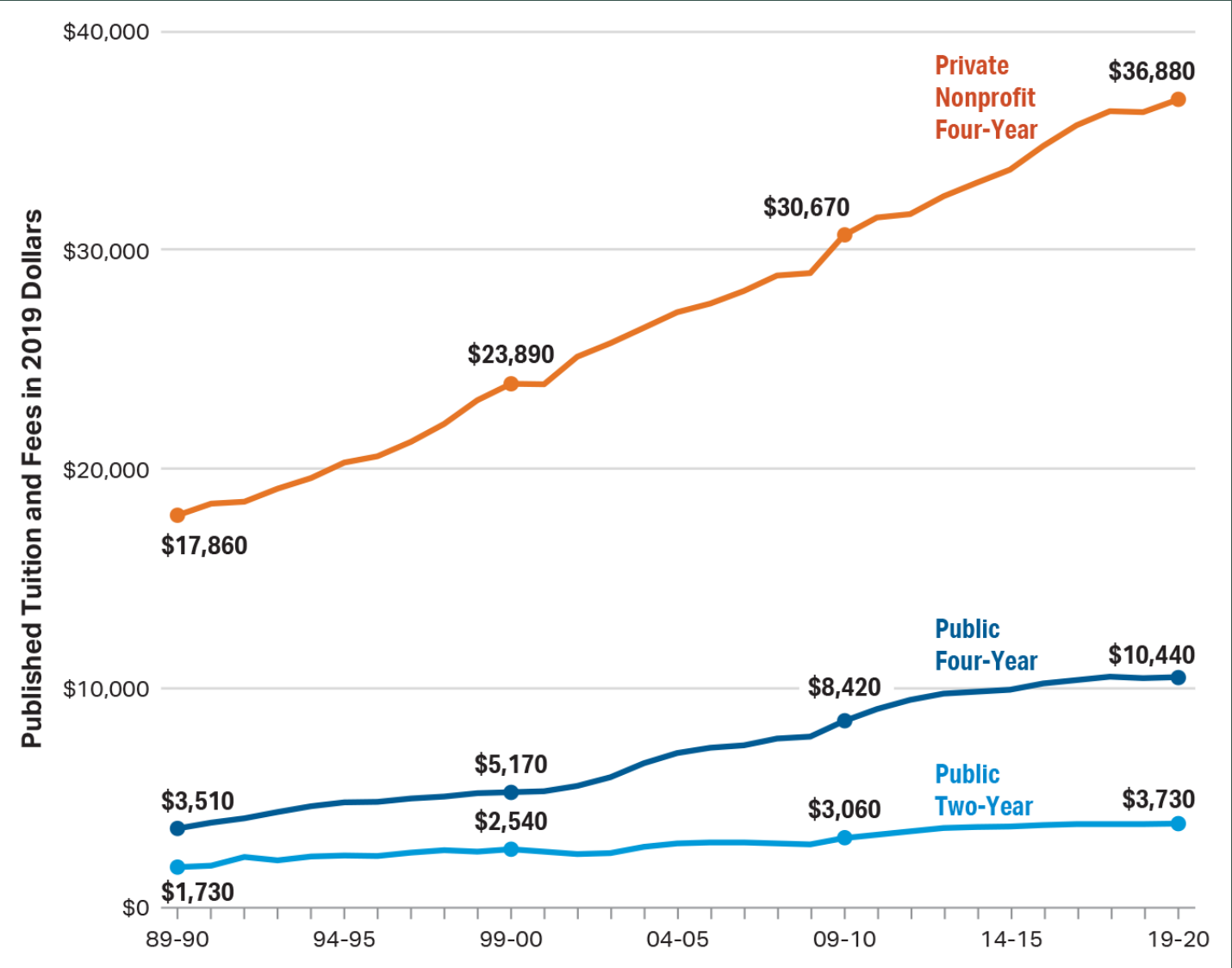
**3. No. credit hours/
units delivered**

4. Mode of Delivery

Premises and Trends

Private four-year colleges have higher tuition and fees than publics...

Average Annual Published Tuition and Fees
by sector, 1989-90 to 2019-20

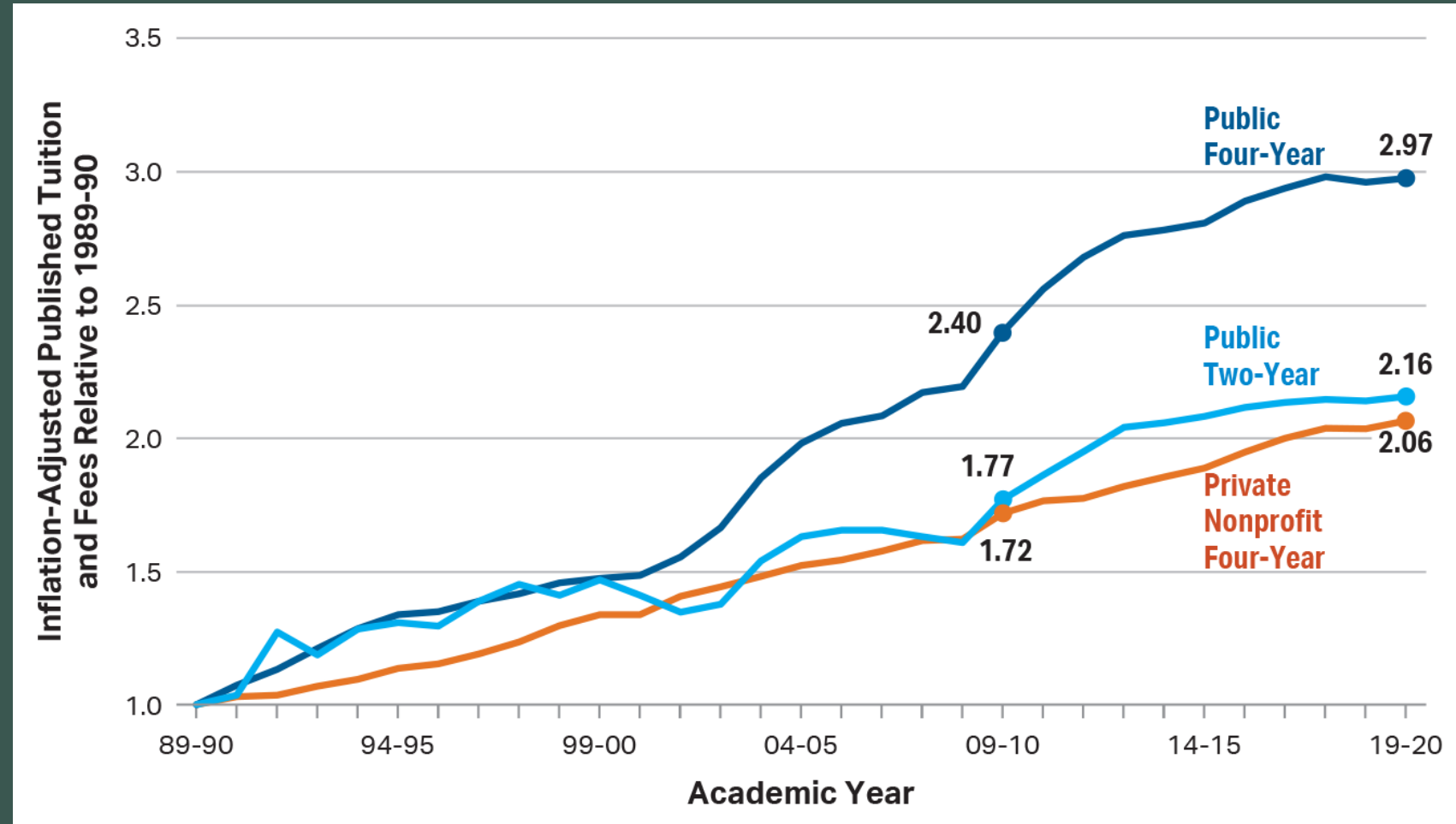


Source: The College Board, Trends in College Pricing 2019

Premises and Trends

...but public four-year tuition and fees are rising faster than those at privates or two-year colleges.

Inflation-Adjusted
Published Tuition and Fees
relative to 1989-90,
1989-90 to 2019-20



Source: The College Board, Trends in College Pricing 2019

Premises and Trends

There are a declining number of traditional-age students in the pipeline.


Forbes,
May 2019

US News,
May 2019

Forbes,
December 2019

6,811 views | May 30, 2019, 08:20am

College Enrollment, Spring 2019: The Downward Slide Continues

 **Michael T. Nietzel** Senior Contributor @ Education
I am a former university president who writes about higher education.



The latest figures show another decline in college enrollment. (AP Photo/Mark Lennihan)
ASSOCIATED PRESS

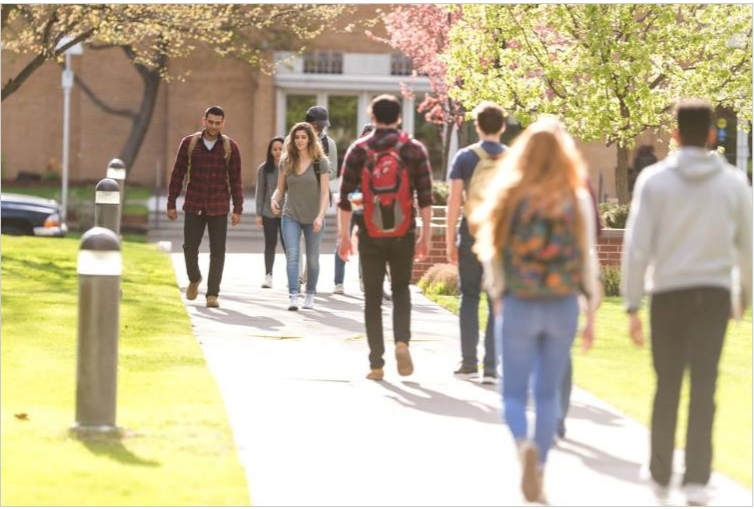
College enrollment continues to slide. According to the National Research Center, total postsecondary enrollment fell 1.7% from last year, marking the eighth straight year of declines.

HOME / NEWS / EDUCATION NEWS

Nationwide College Enrollment Is Down Again

Post-secondary enrollment fell 1.7% from last year, marking the eighth straight year of declines.


 By **Lauren Camera**, Senior Education Writer May 30, 2019, at 12:06 p.m.



The eight year decline hit Alaska, Florida, Illinois, North Dakota, Hawaii and Kansas the hardest, all of which experienced a 4% to 5% drop in higher education enrollment. (GETTY IMAGES)

EDITORS' PICK | 16,958 views | Dec 16, 2019, 03:00am

College Enrollment Declines Again. It's Down More Than Two Million Students In This Decade.

 **Michael T. Nietzel** Senior Contributor @ Education
I am a former university president who writes about higher education.



Premises and Trends

The decline of college-going students, 2012-2029, will be profound.

U.S. total, -11%

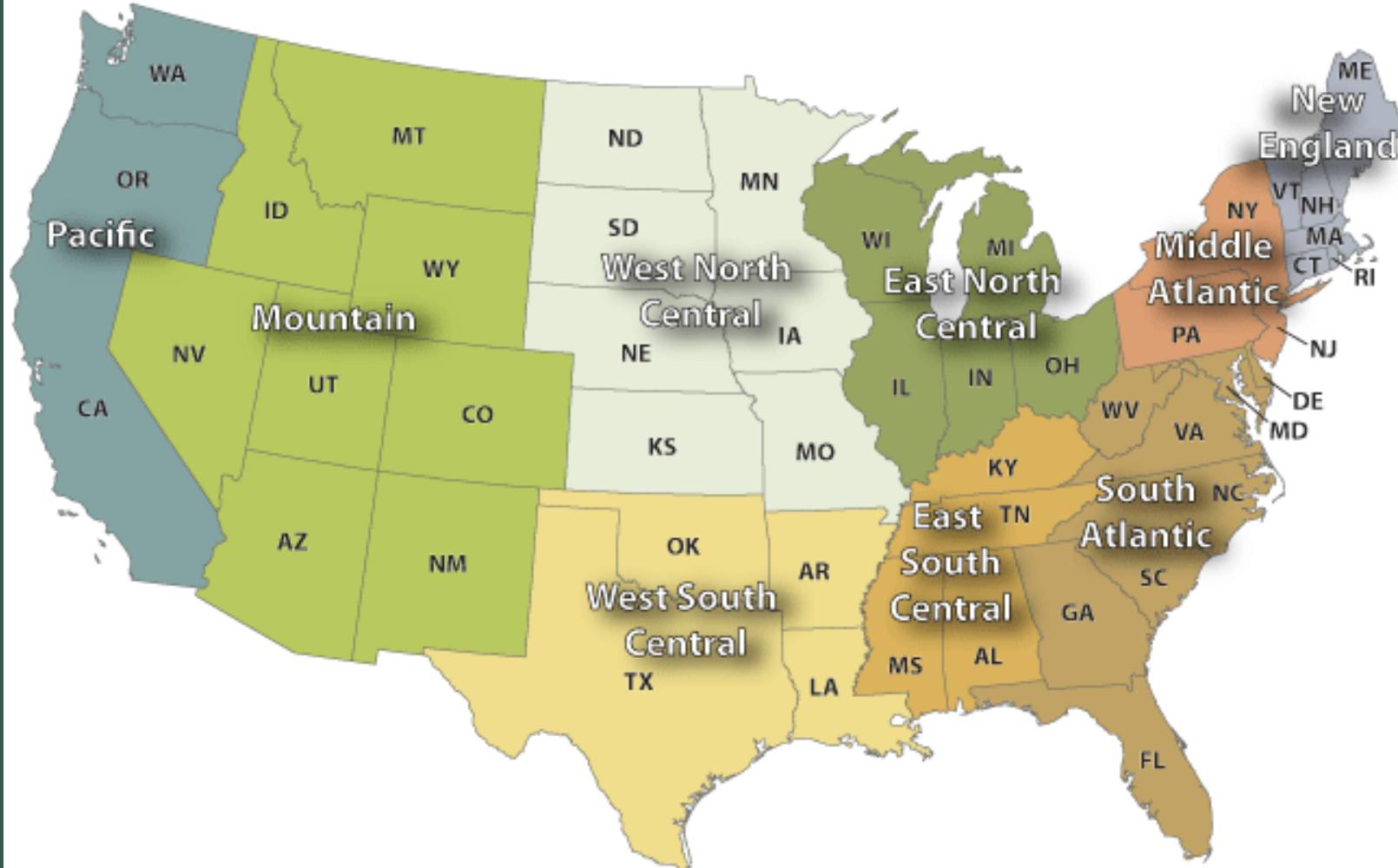
Pacific, -9%

Mountain, +2%

West North
Central, -11%

West South
Central, +2%

U.S. Census Divisions



New England,
-24%

Mid-Atlantic,
-18%

East North
Central, -22%

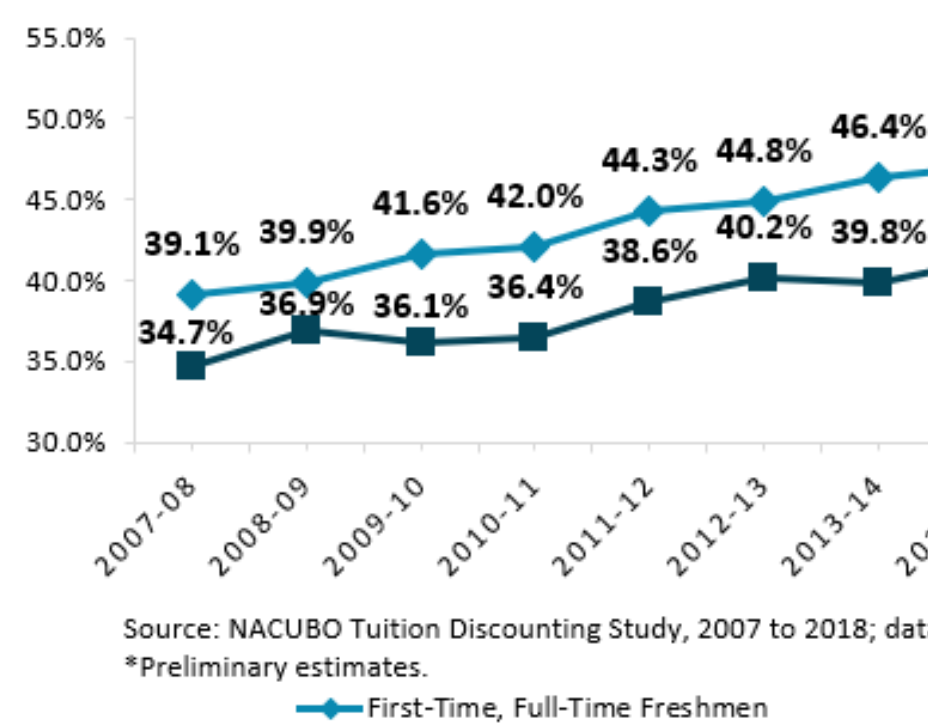
East South
Central, -20%

South Atlantic,
-3%

Premises and Trends

Increased competition – it's a buyer's market – leads to price discounts.

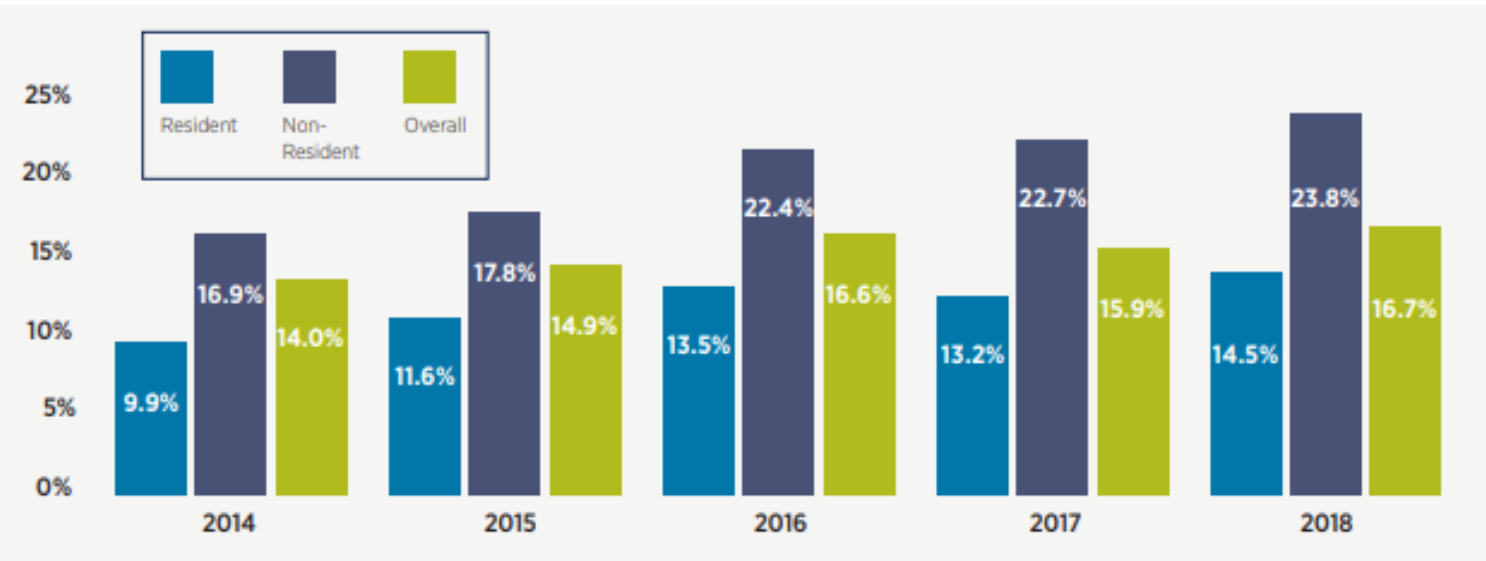
FIGURE 1: AVERAGE INSTITUTIONAL TUITION DISCOUNT RATE
BY STUDENT CATEGORY



Data from 480 private institutions reporting to NACUBO

PUBLIC FOUR-YEAR INSTITUTIONS

9) PUBLIC FIRST-YEAR STUDENT DISCOUNTING:
FIVE-YEAR TREND



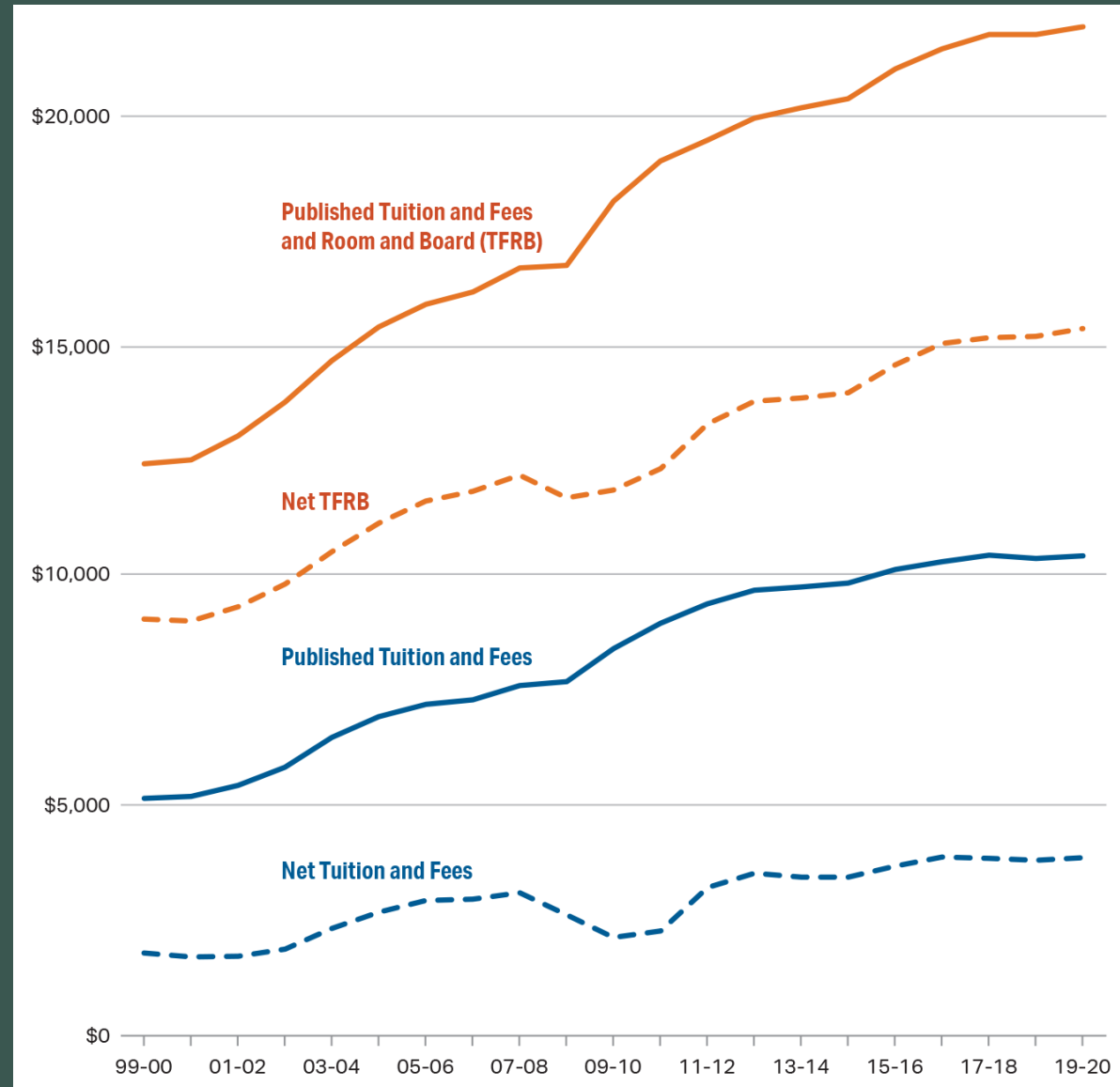
Data from 58 public institutions reporting to Ruffalo Noel Levitz

Premises and Trends

Net college costs – and revenues – will be well below published costs.

Average Published and Net Prices

Full-Time In-State Undergraduate Students at Public Four-Year Institutions, 1999-00 to 2019-20 (constant 2019 \$)



Enrollment Finance

Enrollment choices and outcomes are key to college finance.

$$\text{Revenue} = \text{Quantity} * \text{Price}$$

$$\text{Gross tuition revenue} = \sum \begin{aligned} & \# \text{ in-state undergrads} * \$\text{in-state charges} + \\ & \# \text{ out-of-state undergrads} * \$\text{out-of-state charges} + \\ & \# \text{ graduates} * \$\text{grad charges} + \\ & \# \text{ per credit students} * \$\text{charge per credit hour} \times \text{credits hours} \end{aligned}$$

Enrollment Finance

Budget planning starts with enrollment goals, assumptions and models.

Goal:

- Financially stable bottom line reflecting market demand

Assumptions

- Capacity and demand, by academic department
- Retention rates
- Financial aid
- # of students by type (in-state, out-of-state, provisional, transfers, graduate, part-time)
- Room and board outcomes
- Tuition and fees levels, by student type

Who participates?

- Enrollment Management, Treasurer, Academic Affairs, President, Trustees

FINANCIAL MODELING ASSUMPTIONS									
Growth Assumptions		FY2019 Actuals	FY2020 Approved Budget	FY2021 Projection	FY2022 Projection	FY2023 Projection	FY2024 Projection	FY2025 Projection	
Operating Budget									
Operating Revenues									
Tuition & fees increase		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Undergraduate Tuition discount		2.50%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	
Fall Enrollment Projections		13.0%	14.8%	14.8%	14.8%	14.8%	14.8%	14.8%	
In-State Undergraduate FTE		6,489	6,545	6,521	6,506	6,496	6,490	6,490	
Out-of-State Undergraduate FTE		425	431	455	470	480	486	486	
Total Undergraduate FTE		6,914	6,976	6,976	6,976	6,976	6,976	6,976	
In-State Graduate FTE		331	331	371	426	491	566	651	
Out-of-State Graduate FTE		40	40	40	40	40	40	40	
Total Graduate FTE		371	371	411	466	531	606	691	
Total FTE		7,285	7,347	7,387	7,442	7,507	7,582	7,667	
UG Enrollment Growth		99	62						
Non-Undergraduate Enrollment Growth		-	-						
FTE Enrollment Growth		86	62	40	55	65	75	85	
				40	55	65	75	85	
Scenario Descriptions									
Scenario 1:									
Scenario 2:									
Scenario 3:									
Undergraduate Fall Terms									
Undergraduate Core FTE Fall									
In-State		6,494	6,493	6,544	6,502	6,522	6,507	6,561	6,713
Out-State*		405	420	427	427	431	431	431	434
Provisionals		103	105	105	105	105	105	105	105
Undergraduate Core FTE Fall Totals		7,002	7,018	7,076	7,034	7,054	7,158	7,043	7,097
Undergraduate Non-Core FTE Fall Totals**		61	70	70	70	70	70	70	70
Undergraduate Core & Non-Core FTE Fall Totals		7,063	7,088	7,146	7,104	7,124	7,228	7,113	7,167
Percent of FTE Increase from Fall 2020				0.82%	0.23%	0.51%	1.98%	0.35%	1.11%
Undergraduate Spring Terms									
Undergraduate Core FTE Spring									
In-State		6,342	6,373	6,421	6,380	6,399	6,493	6,384	6,435
Out-State*		373	387	393	393	397	397	397	397
Undergraduate Core FTE Spring Totals		6,715	6,760	6,814	6,773	6,792	6,890	6,781	6,832
Undergraduate Non-Core FTE Spring Totals**		35	35	35	35	35	35	35	35
Undergraduate Core & Non-Core FTE Spring Totals		6,750	6,795	6,849	6,808	6,827	6,925	6,816	6,867
Percent of FTE Increase from Spring 2021				0.79%	0.19%	0.47%	1.91%	0.31%	1.06%
Undergraduate Academic Years									
Projected AY 2021-2022									
Projected AY 2022-2023									
Projected AY 2023-2024									
Projected AY 2024-2025									

Enrollment Finance

TCNJ has grown modestly over time, but is feeling competitive pressure.

	2020	Pct. Change, 2015-19	Fall 2019	Fall 2018	Fall 2017	Fall 2016	Fall 2015
Applications	? currently -5%	22%	13,824	13,625	12,898	11,825	11,290
# Admitted	?	24%	6,812	6,785	6,130	5,778	5,495
# Enrolled	?	10%	1,605	1,551	1,542	1,457	1,453
Admit %	?	0%	49%	49%	48%	49%	49%
Yield %	?	-8%	24%	23%	25%	25%	26%

Enrollment Finance

TCNJ also enrolls graduate and full-pay provisional students.

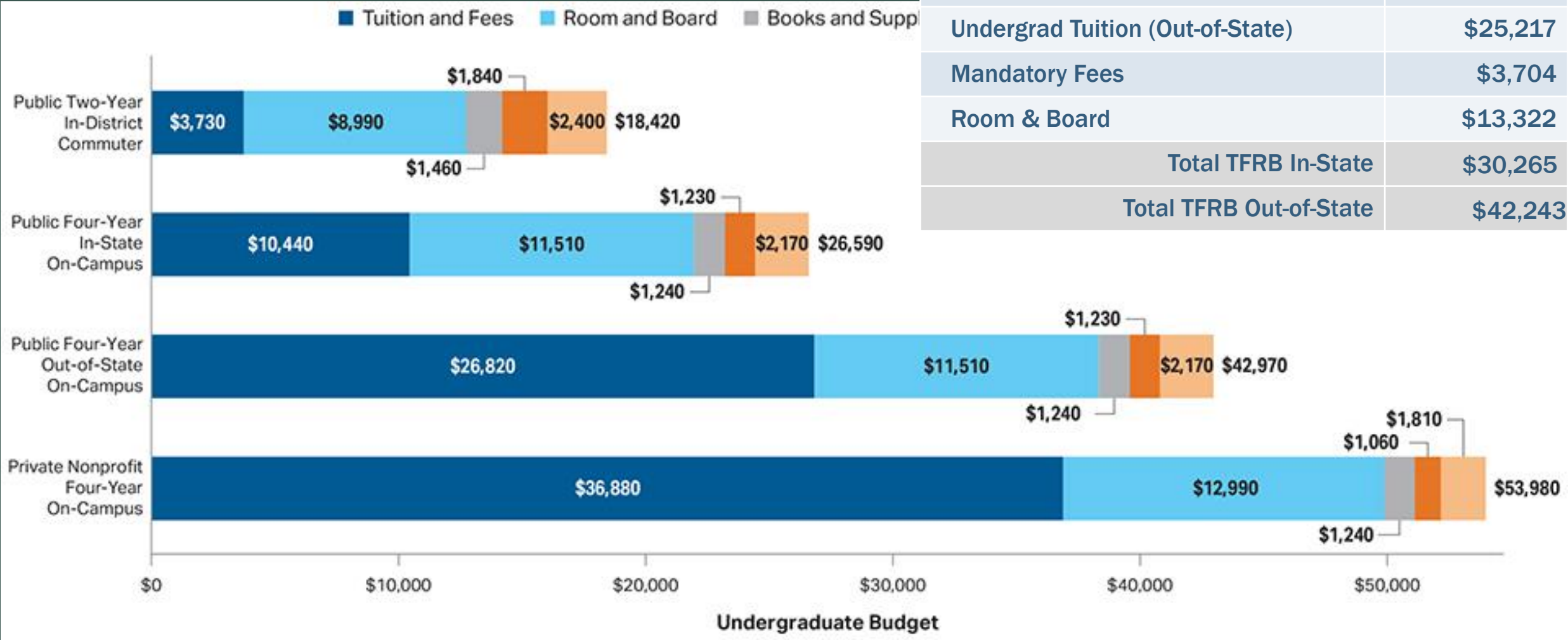
	2020 goal	Pct. Change, 2015-19	Fall 2019	Fall 2018	Fall 2017	Fall 2016	Fall 2015
Graduate Headcount		-2.5%	632	638	597	609	648
Graduate Full- time Equivalent (FTE)*	435	-3.4%	402	371	384	398	416
Provisional	105	+84%	103	79	66	50	56

**Graduate FTE = Graduate credits hours/9. Undergrad FTE = credit hours/16*

For budget purposes, FTE matters most. Why? Because part-time students pay by the credit hour or unit.

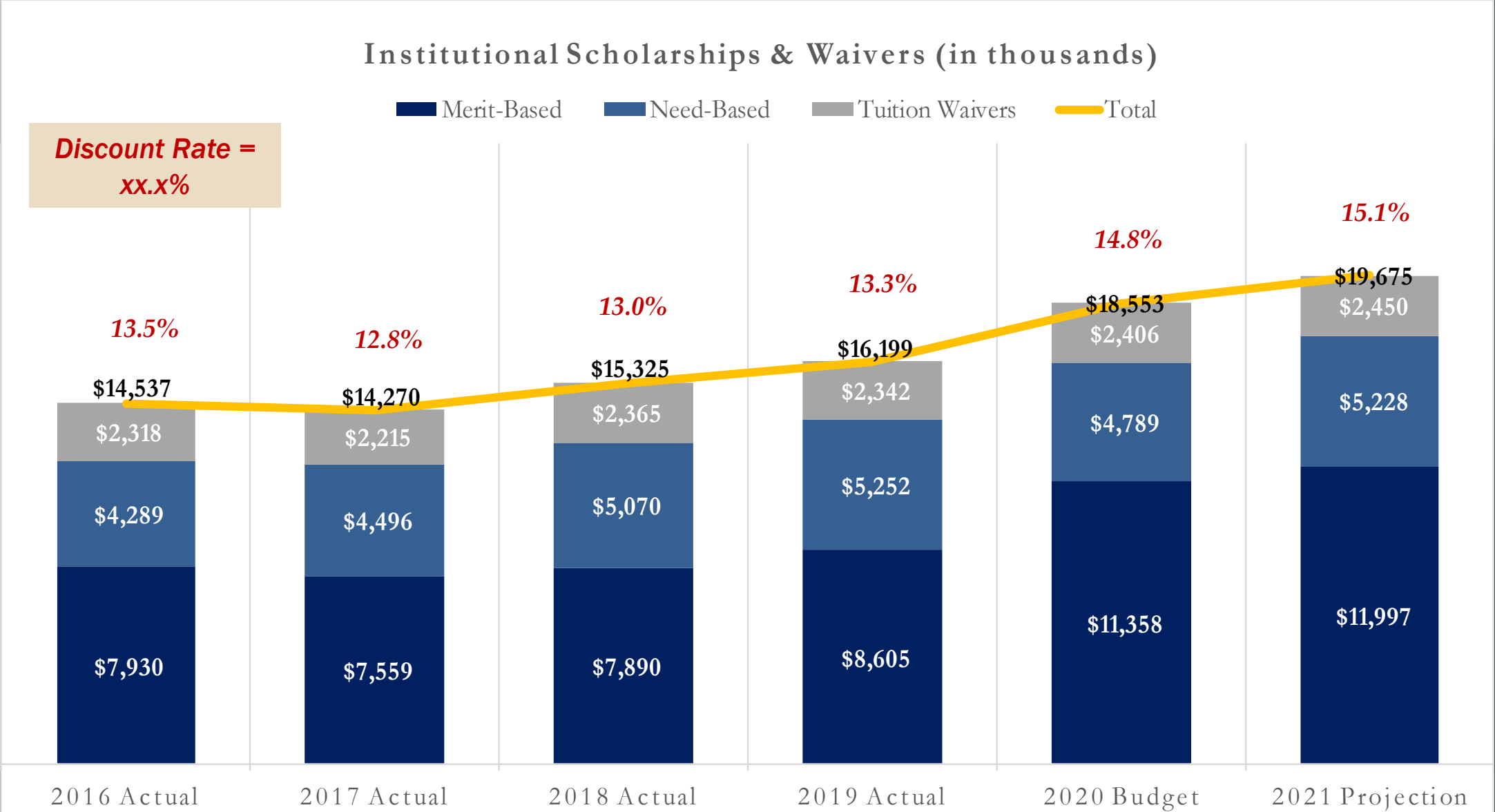
Enrollment Finance

A key assumption is how much to charge, given demand and competition.



Enrollment Finance

TCNJ awards merit and need-based aid. Discount rates are low, but increasing.



Enrollment Finance

Most students receive aid, which helps shape the class and improve yield.

Promise Award - EOF

Chairman of the
Board
Merit

Merit and Need

Bonner

Music

Transfer

Harcourt

Cooperman

Give Something Back

TCNJ Commitment
Grant

Study Abroad Grant

TCNJ Financial Aid Stats

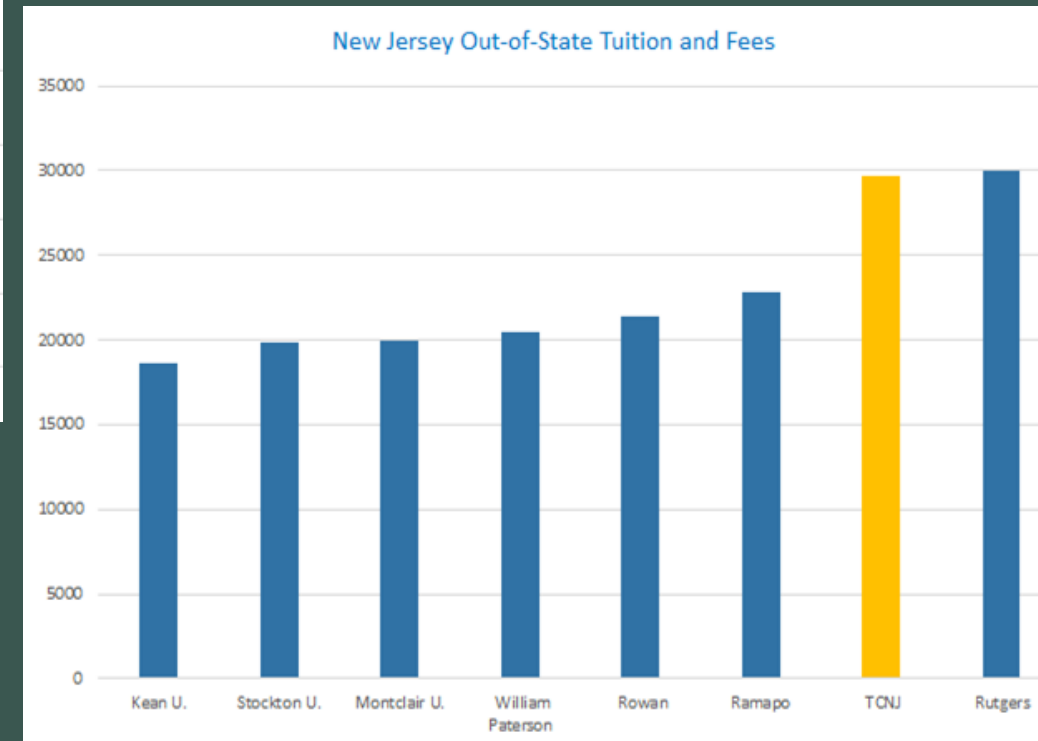
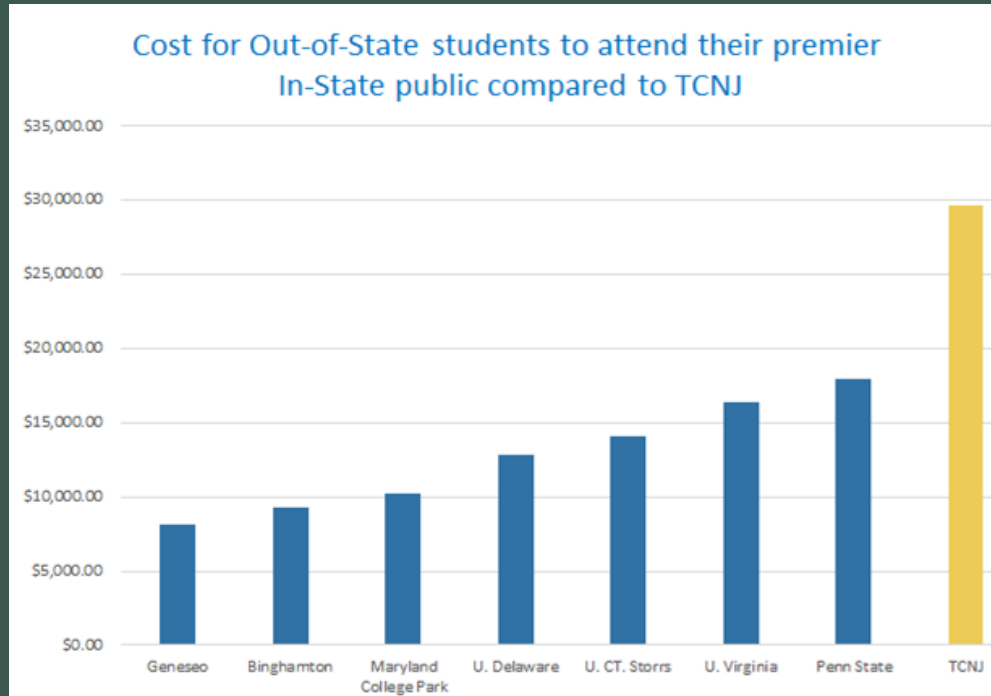
Total aid distributed to TCNJ students, 2019	\$86 million
Amt. of institutional (TCNJ) aid awarded, 2019	\$18.6 million
Pct. of students receiving TCNJ aid	43%
Avg. amount of grant aid received	\$9,381
Avg. amount of loan aid received	\$6,677
Avg. TCNJ family income	\$147,000
Pct. of first-year class “Pell” recipients	17%

Enrollment Finance

Price hampers our competitiveness particularly with out-of-state students.

Out-of-state
applications
have grown
34% since
2010...

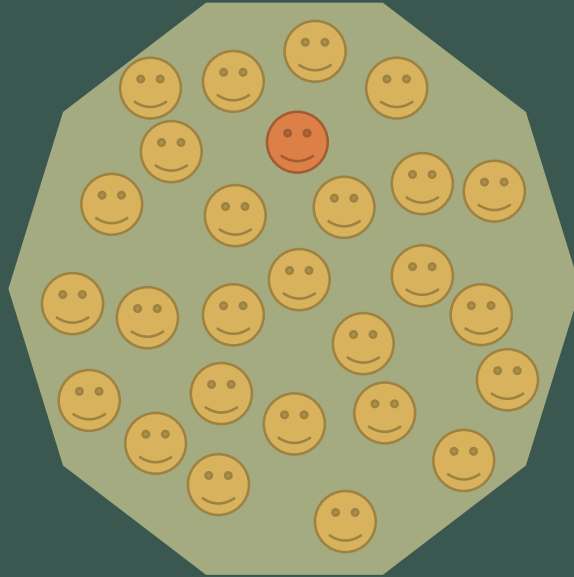
...but out-of-
state
enrollments
have grown
only **11%**.



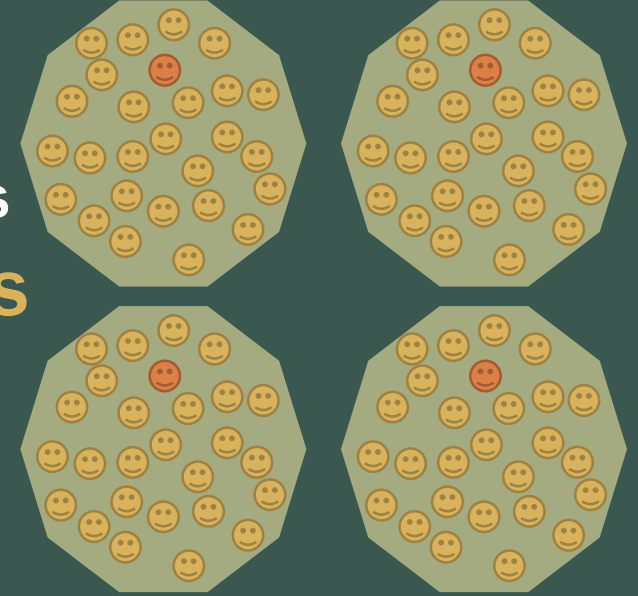
Academic Finance

Course units and class size are one side of a budgetary “coin of the realm.”

Let one budgetary
course unit be a
class of **20**
students with **1**
faculty member



Assume students
take **4 courses**
each semester



Then a college with
7,000
students ...



(7,000
students x 4
classes)/20
students per
class

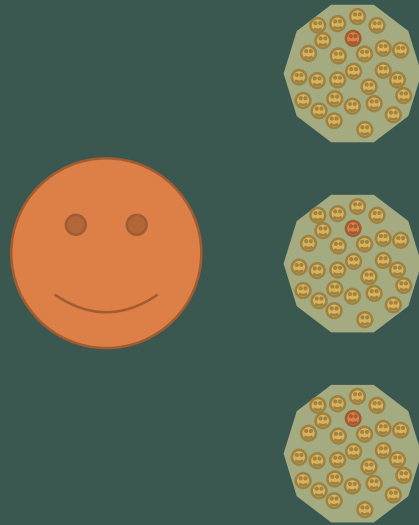


... will need **1,400**
course sections
each semester

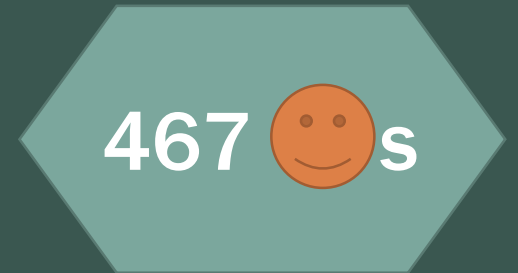
Academic Finance

The other side of the coin is faculty coverage.

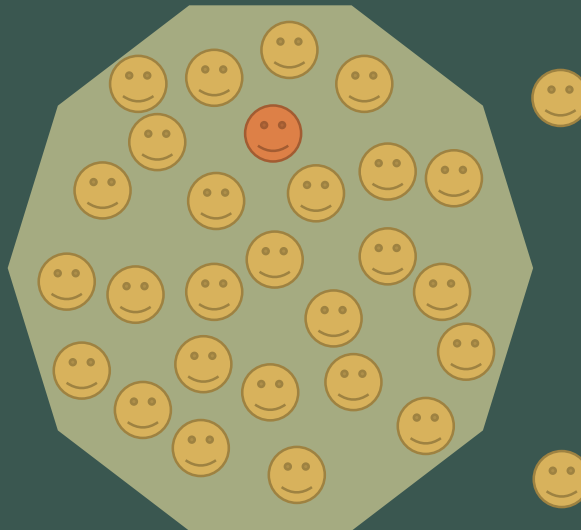
Assume a **faculty** member teaches a “normal load” of **3 courses** per semester



Then **1,400 course sections** will require **467** full-time (equivalent) **faculty**



Consider that if average class size increased to **22 students** per section...



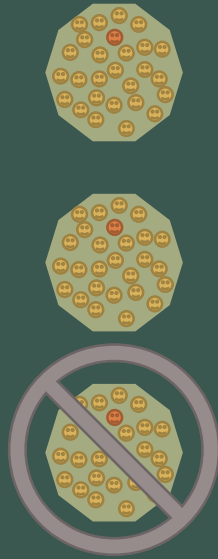
...then we'd need only **1,273 course sections** and **424** full-time (equivalent) **faculty**



Academic Finance

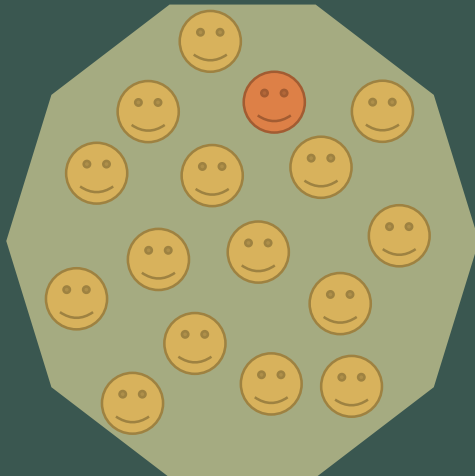
Of course it is not this simple.

A **faculty** member
may not teach **3**
courses per
semester



Reduced teaching load due to
major committee service,
department chair duties,
program accreditation, etc.

Also, courses
may not have
20 students



Depending on pedagogy –
*consider art studios, music ensembles,
science labs, writing intensive courses,
seminars, etc.* – a course may
have fewer than 12 or more
than 40 students

Academic Finance

Variations in faculty coverage and composition also affect the budget.

Tenure-track
faculty



Adjunct
(part-time)
faculty



Temporary
full-time
faculty



Multi-year
contract
faculty (soon)



*The mix of faculty types in
any semester depends on:*

- curricular demand
- need for specialized or limited expertise (e.g., Russian language)
- changing demand for majors and minors
- tenure track faculty assignments, sabbaticals, leaves

Academic Finance

TCNJ part-time faculty outnumber full-time faculty, but the latter teach more course units.

Number and percentage of course units taught, by faculty category

Employment data from TCNJ Fact Books;
Course data from Academic Affairs

Faculty Category	Fall 2015			Fall 2018		
	#	% of total	% of course units taught	#	% of total	% of course units taught
Full-time (Tenured/Tenure Track/temp)	355	42%	60%	363	43%	60%
Part-time (adjunct & regular)	498	58%	40%	490	57%	40%

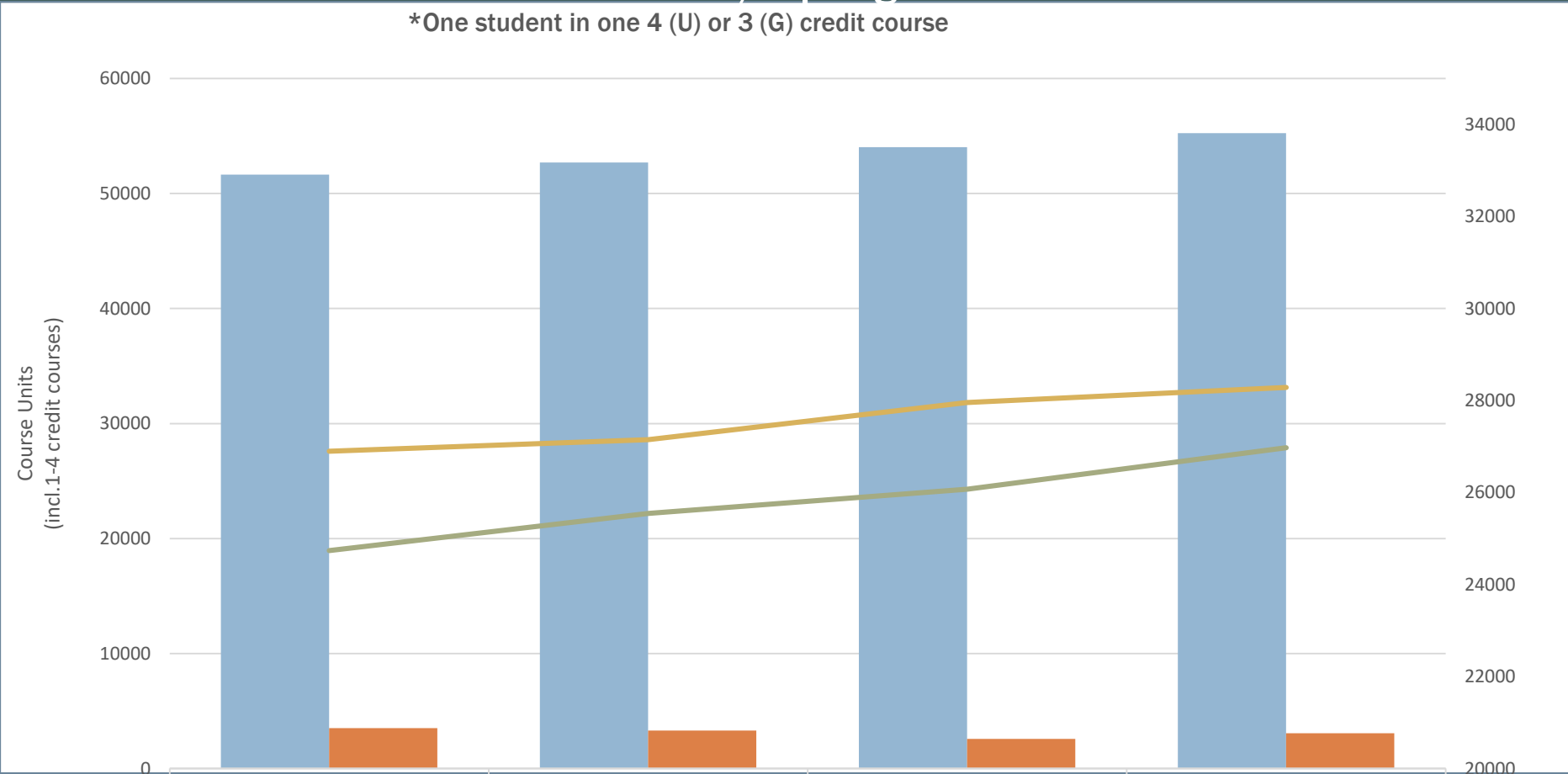


Academic Finance

At TCNJ, demand for classes and credits has been growing.

Total Course Units* & Fall / Spring FY16-FY19

*One student in one 4 (U) or 3 (G) credit course



Undergrad	51635	52691	54027	55256
Grad	3519	3300	2576	3062
Spring	24739	25544	26071	26973
Fall	26896	27147	27956	28284

Equivalent
Course Sections
(Avg. Class size = 21):

Fall 2018 =
1,347

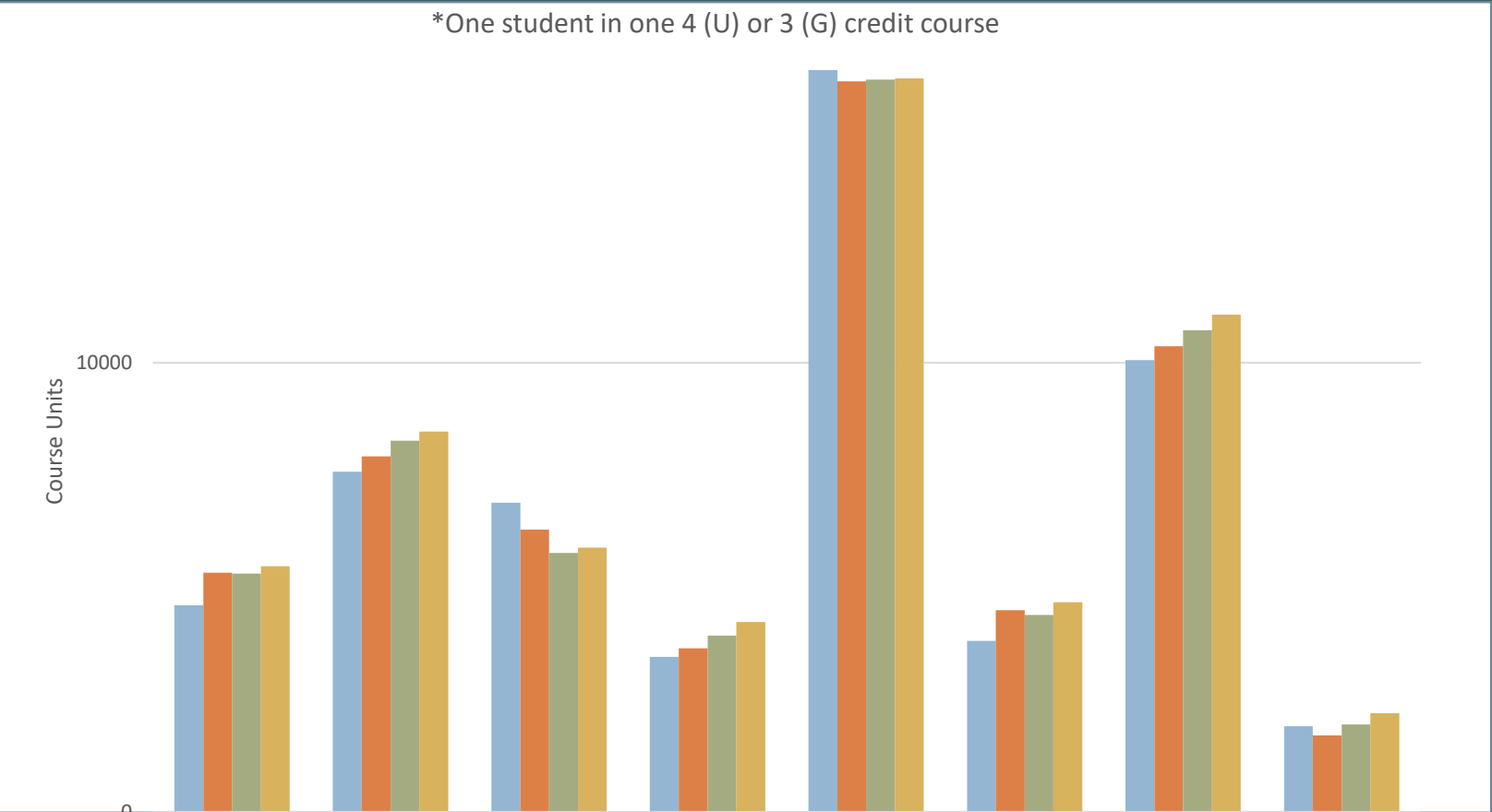
Spring 2019 =
1,284

Academic Finance

Demand varies by school, which themselves vary by pedagogy and cost

Total Course Units* by School

*One student in one 4 (U) or 3 (G) credit course



FY16-FY19:

Sustained Growth

Business

Engineering

NHES

Science

Liberal Learning*

Slow Growth, Stable, Decline:

Arts & Comm

H&SS*

Education

**Most Liberal Learning courses are in H&SS*

Academic Finance

Also affecting the budget are necessary and desired academic supports.

- Library services and resources
 - Instructional design
- Center for Student Success
- Center for Teaching & Learning
- Center for Engaged Learning & Research
- Center for Global Learning
 - Tutoring services
 - Career and Leadership
 - Grants office
 - Records & Registration
- Performance spaces and events
- Laboratories, vans, computers, projectors, phones, equipment
 - Academic innovation



The Road Ahead

Colleges—and TCNJ—face key questions of enrollment and academic finance.

Source: Alvarez & Marsal, Higher Education: A Restructuring Perspective, 2019

Academic

- Are enrollment and faculty levels in alignment?
- Are classes set up efficiently to ensure maximum enrollment in each course?
- Are faculty teaching loads optimal?
- Is the faculty appropriately balanced among tenured, contract and adjunct instructors?
- Are programs not sustaining the core mission appropriately evaluated for cost-effectiveness?
- Is course scheduling efficient both from space and academic perspectives?
- Are all issues of collaboration, consolidation and integration “on the table”?
- Are the faculty and administration “speaking with one voice”?
- Does the institution address cost and value from students’ employment opportunity perspective?

In all, *how can we be fiscally responsible in matching enrollment, educational demands, academic resources, faculty commitments, staff support, and space & equipment to provide consistent, high quality student experiences and room for academic innovation in a changing higher ed environment?*

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