

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 5

DATE:

July 21, 2006

RECOMMENDATION

2007-2008 GENERAL FUND SCHOLARSHIPS, AWARDS AND GRANTS

ACTION REQUESTED

It is recommended that the Board of Regents approve 1) revising the criteria for the National Scholars Program to include students from Canada and other countries, change the grade point average eligibility requirements and require on-campus living for freshmen and sophomore recipients; 2) eliminating the Great Lakes Scholarship; and 3) reallocating \$800,000 of Great Lakes Scholarship funding to the National Scholars Program.

STAFF SUMMARY

On March 21, 2006, the Board of Regents approved Phase II of the restructuring plan of the General Fund Scholarship Program. Effective 2007-2008, the university will award funds based on a tuition discount model designed to shape and compliment enrollment goals.

The Great Lakes Scholarship, currently valued at \$6,000, used to cover most of the out of state tuition differential for residents of Canada and states that border the Great Lakes. Its discount value has eroded as our cost of tuition has increased. Likewise, its recruitment value has diminished significantly as it now pays for about half of the out of state tuition differential. Eliminating this scholarship and moving the funding to the National Scholarship Program will provide greater leverage in our recruitment efforts.

Several compelling opportunities exist to recruit more students from Canada: 1) Our location is easily accessible to commuters; 2) there is a high demand for articulation agreements between Canadian community colleges and 4 year public institutions; 3) Canadian institutions cannot currently accommodate their college age population; and 4) the United States is a destination of choice.

FISCAL IMPLICATIONS

Reallocate \$800,000 from the Great Lakes Scholarship Program to the National Scholars Program.

ADMINISTRATIVE RECOMMENDATION

The proposed Board Action has been reviewed and is recommended for Board Approval.

University Executive Officer

Date

Request for Financial Aid Leveraging to Recruit Students from Canada

Proposal: Change the criteria for the National Scholars Program, eliminate the Great Lakes Scholarship and move previously approved Great Lakes Scholarship funding to the National Scholars Program.

New criteria for the National Scholars Program, which pays the out of state tuition differential: Eligible students must be residents primarily of Canada or of states other than Michigan and Ohio. Undergraduate students must have a minimum high school gpa of 3.0, complete at least 15 credits per semester and maintain a 2.5 gpa for renewal. Graduate students must have a minimum undergraduate gpa of 3.2, complete at least 8 credits per semester and maintain a 3.2 gpa for renewal.

A portion of these awards may also be used to recruit international students from countries other than Canada.

Background: On March 21, 2006, the Board of Regents approved Phase II of the restructuring plan of the General Fund Scholarship Program. Effective 2007-2008, the university will award funds based on a tuition discount model designed to shape and compliment enrollment goals.

Several compelling opportunities exist to recruit more students from Canada: 1) Our location is easily accessible to commuters; 2) there is a high demand for articulation agreements between Canadian community colleges and 4 year public institutions; 3) Canadian institutions cannot currently accommodate their college age population; and 4) the United States is a destination of choice. Furthermore, our border located competitors, such as Wayne State University and Oakland University, report increased enrollment and interest from Canadian students.

Since Fall 2003, enrollment conversion for Canadian students has steadily declined from a yield rate of 84.62% in 03, to 58.33% in 04 and 50.00% in 2005. This decline is likely a result of our competitors offering instate tuition to our Canadian neighbors.

The Great Lakes Scholarship, which is valued at \$6,000, used to cover most of the out of state tuition differential for residents of Canada and states that border the Great Lakes. Its discount value has eroded as our cost of tuition has increased. Likewise, its recruitment value has diminished significantly as it now pays for about half of the out of state tuition differential. Eliminating this scholarship and moving the funding to the National Scholarship Program will provide greater leverage in our recruitment efforts.

Fiscal Impact: No new funds are requested at this time. However, if 100 more Canadian students enroll and live on-campus, it is expected that EMU will realize approximately \$1.8 million in net tuition/fee and room/board revenue.

Tuition Leveraging
for Candadian Students
07/21/06

	122 Undergrads	26 Grads	Total
Calculation of Net Revenue			
Tuition Revenue(a)	\$2,099,376	\$278,772	\$2,378,148
Fee Revenue	\$149,450	\$32,760	\$182,210
Total Tuition/Fee Revenue	<u>\$2,248,826</u>	<u>\$311,532</u>	<u>\$2,560,358</u>
Less National Scholarship	<u>\$1,432,890</u>	<u>\$136,110</u>	<u>\$1,569,000</u>
Net Tution and Fee Revenue	\$815,936	\$175,422	\$991,358
Room & Board at \$6,612	<u>\$806,664</u>	<u>\$0</u>	<u>\$806,664</u>
Subtotal Net Tuition/Fee and Room/Board Revenue	<u>\$1,622,600</u>	<u>\$175,422</u>	<u>\$1,798,022</u>
FYES estimated at \$4,000	\$488,000	\$104,000	\$592,000
Total estimated net revenue	<u><u>\$2,110,600</u></u>	<u><u>\$279,422</u></u>	<u><u>\$2,390,022</u></u>

(a) used absolute \$13/cr. hr. increase
and assumed 30 hrs. for undergraduates
and 16 hours for graduates