

## Budget and Enrollment Briefing

### Overview

Development and implementation of a strategic enrollment management plan is a key action in Phase II of the University of Northern Colorado's *Rowing, Not Drifting 2030* strategic plan. One component of strategic enrollment management is consideration of the desired number and types of students to enroll. Ensuring the right mix requires centering the institutional mission, assessing historical trends and current realities, and clarifying strategic goals.

At UNC, achieving and maintaining optimum recruitment, retention, and graduation rates is integral to our commitment to be a Students First university. Enrollment is also a revenue stream. At UNC, undergraduate and graduate tuition and fee revenues account for approximately 48% of our net operating revenue. When revenue from room and board is added, the total is approximately 59%. Therefore, setting and achieving enrollment outcomes is also tied to UNC's ability to balance the budget annually.

The connection between UNC's enrollment portfolio and operating budget has been a frequent topic of discussion by UNC's Board of Trustees. The October 6, 2023, retreat presents an opportunity to further examine the connection between short- and longer-term enrollment strategies and another of UNC's strategic priorities: financial stability.

Desired discussion outcomes include:

- Achieving a shared understanding of the short- and long-term budget implications of current enrollment trends and proposed enrollment strategies.
- Signaling from the Board a high-level direction on the number and types of students needed to fulfill the institutional mission.

### Budget Context

While considering efforts to target growth among specific student population groups, it is important to consider relevant budgetary implications, as student types each produce distinct revenue streams. For example:

- Undergraduate student credit hours make up 83% of UNC's total in fall 2023 and will provide about 70% of the net tuition revenue for the institution. Undergraduate students also represent the primary driver for state funding

support and most of the auxiliary revenue from housing and dining, and other campus services. Graduate student tuition rates are higher, and as student employees, graduate students play a critical role in campus resources, including support for research, scholarship, and creative works.

- Resident students represent over 80% of the student population at UNC, and an even larger share of undergraduate students. Resident students are the basis for state funding support, and with a rapidly increasing population in northern Colorado, they represent a growing base of high school graduates for recruiting purposes, with out-of-state competitive recruiting efforts mitigated by lower tuition rates and state financial aid. However, non-resident students provide a nation-wide source of recruiting opportunities, and they can provide as much as 65% more in net tuition revenue per full-time student.
- Nation-wide trends indicate growing demand for online and distance education options for post-secondary credentials, and the competition is developing more rapidly than ever following the pandemic's acceleration of technology adaptations. Distance education programs benefit from typically lower direct and indirect overhead costs, making them an optimal source of revenues. However, distance education can be less appealing or fulfilling for students who benefit from the more holistic services and support systems, as well as the developmental opportunities for engagement, from a residential campus experience.
- First-generation students make up a growing and important population of UNC's student demographics and are an important factor in the educational objectives for Colorado, which is emphasized by their heavily weighted significance in the state's higher education performance funding model. However, institutions may be more challenged in recruiting and onboarding first-generation students, and once they enroll, first-generation students are 34% more likely to not be retained in the second year. The cost of support services necessary to sustain and improve persistence rates among first-generation students is an important consideration.

*October 6, 2023 Board of Trustees Retreat*

## **Discussion Prompts**

As the University of Northern Colorado considers the direction of our enrollment strategy, it is timely to also reflect on how best to align the student enrollment portfolio with our *Rowing, Not Drifting 2030* strategic plan. While any adjustments require careful weighing of the opportunities, implications, and costs, and consideration of the feasibility, the following are presented as prompts for further discussion.

Considering both UNC's institutional identity and potential impacts of tuition and enrollment-related components:

- What is the optimal balance of undergraduate and graduate students as part of the total enrollment?
- What is the optimal balance of resident and nonresident students as part of our undergraduate enrollment?
- What is the optimal balance of students enrolled in main campus courses and programs and Extended Campus (online and distance education) courses and programs?
- What might growth in first-generation student enrollment entail?