



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Education
March 14, 2008 at 2:00 pm

By

Linda Johnsrud, Vice President for Academic Planning and Policy,

SCR 75 – REQUESTING THE UNIVERSITY OF HAWAII TO CONDUCT A STUDY ON THE FEASIBILITY OF REMOVING ENROLLMENT CAPS AT CAMPUSES WITHIN THE UNIVERSITY OF HAWAII SYSTEM.

Chair Sakamoto, Vice Chair Tokuda, and Members of the Committee on Education:

I am Linda Johnsrud, Vice President for Academic Planning and Policy, University of Hawai'i System. On behalf of the University System, I am testifying on Senate Concurrent Resolution 75 which requests the University of Hawai'i to conduct a study on the feasibility of removing enrollment caps at campuses with the University of Hawai'i System.

The University welcomes the intent of SCR 75. Earlier this year the UH Board of Regents asked the UH System to examine the current Board of Regents policy that sets nonresident enrollment ceilings. Work is currently underway in the Office of the Vice President for Academic Planning and Policy to evaluate the ceilings. We are pleased that the timing of this effort coincides with the request in SCR 75, and would be pleased to share with the legislature the results of the evaluation and the recommendation for change in Board policy.

The current Board of Regents Policy, in Chapter 5-11b, speaks to issues that are raised in SCR 75. In setting general principles for the setting of admissions policies, current Board policy recognizes that, "a public university's first responsibility is to provide higher education opportunities for qualified students from the community that supports it." It also informs campuses that they must establish educational and training programs to meet state workforce needs and that qualified nonresidents do enhance the mix in professional and graduate level programs. Chapter 5-11b(7) sets nonresident enrollment ceilings by campus mission, currently 30% for the four year and research campuses and 15% for the open door community colleges, excluding active duty military personnel stationed in Hawai'i and their dependents. The current policy does not differentiate between graduate and undergraduate students.

I would like to share with you a number of factors that we are taking into account as we review changes to current policy. To give a few examples:

- o Campus enrollment capacity, given existing resources such as faculty and facilities;
- o Campus mission, and whether or not a differentiation should be made between graduate and undergraduate resident and non resident ceilings;
- o Access of Hawai'i residents to higher education, and UH's critical responsibility, as the only public university in Hawai'i, to improve the educational capital of the state;

- Non resident tuition rates compared to the cost to the state of educating non residents (i.e., what is the actual revenue brought in to the state by non resident students paying tuition on the current schedule?);
- If there is a gap between non resident tuition realized and the cost of education, the public policy considerations when Hawai'i taxpayers subsidize non resident students;
- Campus expenditures for recruiting and retaining non resident students;
- Financial aid sources available for non residents;
- Availability of housing and related costs to the state;
- The retention and graduation rates of non resident students, and the number who remain in Hawai'i to contribute to the economy;
- Balancing the value of having non resident students in our UH system with the need to ensure access and opportunity to higher education for students who reside in remote parts of the state or who are considered at risk; and
- Preparing more of Hawai'i's residents for a diverse and globally integrated and competitive environment.

Strategic enrollment planning for public universities must take into account public policy matters such as access and opportunity for students, as well as analyze who pays for the cost of education. If higher non resident tuition rates are to enhance income streams for institutions, we must first ensure that these tuition rates do indeed provide gainful revenue rather than cost for Hawai'i's taxpayers. Second, we must ensure that pursuing these income streams does not weaken educational opportunity for those Hawai'i's students most in need of support in pursuing higher education. To reap the benefits of diversity and the economic returns from non residents is a matter of coordinated planning and public policy, and not a matter of competition among campuses for revenue.

Unlike many other states, Hawai'i is far away from neighboring states, and students cannot simply drive across a border and choose a higher education option in another state. As we all know, Hawai'i students who go out of state for their higher education must travel at the very least 2,500 miles for an alternative to our Hawai'i institutions. For this reason, we are very seriously examining this policy to consider the changes that might be most beneficial for Hawai'i's residents and for non residents who come to our state and contribute in many ways to our communities. We thank the legislature for your generous support of the University of Hawai'i throughout its history, and we look forward to sharing the results of our policy review with you.

Thank you for the opportunity to testify.

Unofficial Comments & Suggestions
Senate Committee on Education
March 14, 2008 2:00 p.m. CR 225

University of Hawai`i at Hilo

SCR 75 REQUESTING THE UNIVERSITY OF HAWAI`I TO CONDUCT A STUDY ON THE FEASIBILITY OF REMOVING ENROLLMENT CAPS AT CAMPUSES WITHIN THE UNIVERSITY OF HAWAI`I SYSTEM

Chair Sakamoto, Vice Chair Tokuda and Members of the Committee:

UH Hilo supports the intent of SCR 75 to request that the UH Board of Regents study the feasibility and benefits of allowing this enrollment ceiling to vary from campus to campus. The four-year campuses within the UH system are limited in the numbers of non-resident students they may enroll. The UH Board of Regents has set the enrollment ceiling on each campus at 30 per cent of total enrollment. . Currently, both the University of Hawai`i at Mānoa and the University of Hawai`i at Hilo are slightly exceeding the 30 per cent cap on non-resident enrollment. From the standpoint of UH Hilo, it would be advantageous to lift the 30 per cent ceiling. The following are reasons to support this position:

Qualified residents will not be denied admission.

UH Hilo is a public university that enrolls approximately 3,600 and strives to serve students from Hawai`i as its first and highest priority. *No resident student from Hawai`i who met the admission requirements has ever been rejected for admission.*

Higher tuition paid by non-residents helps resident students.

Revenues from non-resident students enable UH Hilo to offer a wider range of programs to resident students and reduce the net cost of operations to the state.

Non-resident students enable smaller public universities like UH Hilo to fill classes that otherwise would not attract sufficient resident enrollment. Rather than squeezing resident students out of classes, non-resident enrollments actually enable UH Hilo to offer more classes and degree programs to all students. Ultimately, out-of-state enrollment helps resident students to graduate in a timely manner because required classes can be offered more frequently because of greater demand.

Lifting the 30 percent ceiling would enhance the income stream for UH Hilo. Non-residents' higher tuition produces income to advance campus priorities, including admitting and educating more Hawai'i residents. Non-resident tuition in Hawai'i has risen considerably since 2005 and continues to rise. Yearly tuition at UH Hilo for non-residents will top \$17,000 in 2012. UH Hilo studies show that by 2010-2011 when the last tuition increases kicks in, every two nonresident students will fund the marginal cost of themselves plus three additional resident students.

Non-resident tuition revenues help UH Hilo weather downturns.

As a management strategy, it is very desirable to expand enrollment options in anticipation of budget rescissions and demographic fluctuations. The enrollment of non-resident students actually creates budget efficiencies that allow the institution to achieve economies of scale when funding levels are reduced.

Lifting the 30 percent ceiling also would allow UH Hilo to admit more non-resident students to compensate for the demographic shortfalls of resident students. Census data show that the number of high school seniors nationwide will peak in 2010 and begin to decline for a half-decade or more. Admitting higher numbers of non-resident students would help to stabilize enrollments and ensure continued growth through the next decade.

Exposure to mainland and international students is educationally advantageous.

We live in an increasingly global society, where social and academic interaction between students from Hawai'i and mainland and international students has a significantly positive educational impact on both groups.

This interaction creates a more enriched learning environment, where students from Hawai'i have the opportunity to educationally and socially learn from international and mainland students. Resident students thus emerge from the university better able to play leadership roles in their communities and professions in a competitive global society.

Non-resident student spending also contributes to the local economy. But more importantly, "edu-tourism" helps to change Hawai'i's reputation from sun and surf to sun and surf and SCIENCE.

Non-resident students are good for the state of Hawai'i and for the island.

Many small states nationwide that are tourist destinations—for example, in New England—routinely attract student bodies that are more than 50 per cent non-resident students. For example, the University System of New Hampshire

includes four institutions of higher education. At the flagship campus, the University of New Hampshire, more than 50 per cent of the freshman class is composed of non-resident students. Overall, non-residents make up 43 per cent of undergraduates.

These non-resident students contribute revenues through tuition, fees, and room and board charges that are spent within the state. In addition, these students and their visitors spend considerable sums in the community: shops, restaurants, services, etc.

UH Hilo's non-resident students volunteer for community service projects and serve as a resource for the community as part-time, casual-hire employees in an area with a relatively low unemployment rate.

To support an aging population in the coming years, Hawai'i must attract educated, working-age adults to its workforce. Students who have studied at UH institutions are well prepared to be leaders and innovators. They are natural candidates for local recruitment.

After graduation, non-resident students may be expected to enter the Hawai'i's professional workforce. Nearly one in six workers in the state is 55 or older. With so many workers nearing retirement age, the University of Hawai'i system should be viewed as a magnet to attract potential additions to our professional workforce.