



Strategic Enrollment & Revenue Plan
Progress Report

January 2006

Executive Summary

Sub-Committee 1: Undergraduate and Pharm.D.

- Our undergraduate enrollment targets for the next five years will be 825-850 first-year students and 150-175 transfers.
- We must be aware of the changing face of our prospect pool.
- New programs should bring new students to Drake, not sub-divide current programs.
- We consider our existing residential options to be a detriment, and we must address the situation aggressively and urgently.
- The University must do more to recruit and serve transfer students. We must develop partnerships with our local community college to ensure that we become the “preferred provider” of education for their graduates.
- Financial aid currently is being administered with an appropriate balance of methodology and common sense. The ability to attract and retain quality students depends heavily on the availability of financial inducements. However, improved student retention strategies geared toward upperclassmen are essential.
- It is vital that admissions and marketing continue to work closely together to identify fertile target markets for future students.
- International students are important contributors to the campus community. We must continue to cultivate new international markets from which to draw students.
- We do not view traditional summer school offerings as a viable option for generating additional net revenue
- Undergraduate enrollments are not going to provide significant additional revenue without adding resources.

Sub-Committee 2: Retention/Graduation

- The first-to-second year retention rate has significantly improved since 2001 (81%-85%).
- There are few major differences in first-to-second year retention rates by the variables examined (e.g., gender, ethnic status, school/college).
- Retention among transfer students is lower than that for new and continuing students.
- There are few significant differences in the retention rates for continuing (soph-jr.; jr.-sr.) students among the variables examined.
- Drake University has some good news regarding retention of minority students that should be publicized.
- A study of students leaving needs to be completed so that a new, realistic retention goal can be established.
- While it may be a challenge to dramatically improve the first-to-second year retention rate, there are measures that should be implemented.
- Sophomore retention will be addressed by the proposed “sophomore year experience” currently under development.
- Steps to improve the retention of graduate students can be taken.
- The retention data from the Law School confirm that its historically high retention rates continue.

Subcommittee 3: Graduate Programs

- The Graduate Programs Subcommittee of the Strategic Enrollment and Revenue Planning Committee assessed the status and potential for graduate program revenue at Drake University. Representation and input was received from the College of Pharmacy and Health Services, College of Business and Public Administration, School of Education, School of Journalism and Mass Communication, and School of Law.
- There are substantial opportunities associated with new or existing degree programs in the School of Education, School of Journalism and Mass Communication, and College of Business and Public Administration.

- In order to realize their potential, it is crucial that these programs receive adequate investment in the form of promotion, equipment, and faculty and staff development.

Subcommittee 4: Non-Degree Programs

- As market opportunities are identified it will be necessary to determine if there is an appropriate match with Drake's areas of expertise and mission. Through identifying this match, Drake will position itself as a provider of choice for organizations seeking unique, targeted, and tailored programming.
- The University's reputation represents a significant advantage as Drake expands its efforts in non-degree professional programming.
- The motivation for pursuit of non-degree professional education falls into one of two general categories: professional enhancement or personal enrichment.
- An expanding area of growth, organizations seek an institution to provide educational opportunities to their employees. These opportunities are sought in lieu of an in-house training department or as a complement to current training venues.
- Programs designed for an individual organization to meet the professional skill need of their employees are viewed as the best opportunity for enhanced revenue generation, based upon Drake's attributes and position in the market.
- Programming may be designed that draws organizations and individuals into long-term relationships with Drake as an educational resource. Individuals attending single day workshops may seek certificate programs as a method to enhance their experience. Participants of certificate programs can move to graduate programs to further their knowledge and skills. Alumni of graduate programs can in turn be cultivated for institutional giving. These extended relationships can provide an ongoing source of revenue for the institution.
- There is substantial stand alone financial viability or financial viability plus the potential for future funding stream: In light of limited resources, any new programming effort should be evaluated in such a way as to reasonably determine if the financial viability of the program or that of the program plus potential future revenue is such as to make it an optimal selection.

Sub-Committee 5: Facilities Usage

- The objective of this sub-committee was to explore opportunities for additional net revenue generation from the expanded rental of Drake's facilities. Within that objective, the sub-committee wanted to ensure that such facility usage would be consistent with Drake's academic mission, would enhance recruitment of new students, and would protect the interests of current students.
- Between Drake-sponsored events and non-Drake events, the campus facilities are in high demand. The capacity does not exist to meet all the demand. Therefore, the sub-committee expressed interest in focusing facility rental on mission. That is, groups, activities or events held in Drake facilities should be limited to those with ties to Drake's mission.
- Given current usage levels and the desire to accommodate student needs first, there does not appear to be much opportunity for expanded use of the primary athletic facilities.
- The summertime does provide some opportunity for expanded use.
- Overall, some additional capacity exists for increased use of these facilities, especially during the summer months. Carla Carlson, Director of Dining and Meeting Service Operations for Sodexo, estimates that an increase in gross revenue of \$100,000 to \$150,000 may be possible over the next couple of years.
- Facility capacity exists for expanded summer school classes, for summer academic camps, and for various workshops or conferences.
- Drake automatically assumes some additional liability when outside groups are permitted to hold events on campus.
- Currently, management of the facilities rental is dispersed throughout the campus.
- It is apparent to the sub-committee that the time has come to centralize facility rental. A new position (Events Coordinator) has been requested for the FY07 budget. The position would be responsible for scheduling and coordinating all facility rentals/events on campus.
- It is estimated that \$200,000 to \$400,000 in additional net revenue from facilities could be generated over the next few years.
- The sub-committee recommends that each college/school should consider hosting at least one summer camp each year in an area of academic expertise.

I. Introduction:

In the June of 2005, the Strategic Enrollment & Revenue Plan (SERP) Steering Committee was formed. The Steering Committee comprised the chairs of the five sub-committees that were to undertake the planning process. (Sub-committee chairs and membership are listed in Appendix A, p. 54.) In the course of the sub-committees' work, other appropriate members of the Drake University community were consulted for their input (particularly members of the Deans' Council)

Each sub-committee was charged with the following tasks in their respective areas of focus:

- External environmental scan
- Assessment of Drake's strengths and weaknesses
- Identification of opportunities for increased enrollment/revenue consistent with the University's mission, goals, and strengths

We began this process with one fundamental assumption that derives from several different, broad-based discussions: Program Review, the Drake University Strategic Plan process, and the enrollment capacity discussions that we held with the Board of Trustees almost two years ago. That assumption, which—as you will see—has been borne out by the work of the SERP effort is, simply put:

Given the demographic challenges of our primary undergraduate enrollment area, the inherent difficulties of creating new, more distant markets, and our conviction that we are approaching both maximum desired size and maximum capacity, it is unlikely that undergraduate enrollments will be a source of significant additional revenue (beyond annual increases in tuition and a hoped-for lowering of the discount rate). However, it is likely that there are other productive sources of revenue consistent with the University's mission and strengths, and which will enable us to not only support fulfillment of our Strategic Plan objectives, but will subsidize the University's core undergraduate program and enable us to continue to minimize the cost to our students and their families.

The present report is a progress report; as you will see in the following pages, a great deal of work has been done by the respective committees, preliminary conclusions regarding potential have been reached, and there are a number of concrete areas for future growth identified. In many cases, however, there are additional concrete steps to be taken: decisions by the University on which initiatives will be undertaken (and when), the development of realistic business models that identify "venture capital" and projected revenues, and the development of detailed plans (incorporated into the next iteration of Drake

University Strategic Plan 2006-2010 currently in process) for implementation of the initiatives.

It is anticipated that a final report on the Strategic Enrollment & Revenue Plan that includes the additional steps as identified above will be submitted to the Drake University Board of Trustees in advance of the April 2006 meeting.

I would like to express my profound appreciation to the members of the Steering Committee, and their respective committee members, for the energy, commitment, and creativity that they have collectively brought to this important task.

Submitted January 15, 2006



David Maxwell
President

II. Sub-Committee 1: Undergraduate and Pharm.D.

Overview

Sub-committee 1 was charged with examining the following areas: Financial Aid, Demographics, Transfer Students, International Students, Residential, Summer School and the prospects for new programs, reviewing each of these areas for potential for additional/new revenue. The committee began by gathering data from a number of sources, including market research by Noel-Levitz.

In April of 2003 the Deans' Council had prepared a report regarding maximum enrollment. *The report notes that enrolling beyond 850 new freshmen and 150 transfer students would tax our ability to deliver an appropriate experience to all undergraduates. Numbers beyond those limits would put pressures on residence hall and instructional capacity, and change the small-campus "feel" of Drake that current and prospective students value highly.* If we are able to continue, even in this challenging environment, to generate more applications, our goals would be higher quality and greater diversity – not significantly greater numbers. Discussions with the Board of Trustees were very supportive of this view. Thus, the sub-committee's work was based on the assumption that our undergraduate enrollment targets for the next five years will be 825-850 first-year students and 150-175 transfers, with, ideally:

- An increase in academic profile
- An increase in diversity of academic interest
- An increase in students from underrepresented populations
- A decrease in discount rate

The committee identified the challenges that the changing demographics of our region have put before us. The declining student base is only part of the overall picture. *We must also be aware of the changing face of our prospect pool.* We must change the way we recruit and promote Drake to prospective minority students. The research from Noel-Levitz points out that this population does not view us as a viable option. The growth in these markets is substantial and must be addressed if Drake is to be successful in achieving its enrollment goals.

The sub-committee has no doubt that we must enhance our residential options. We know that our housing options for students are ranked below our peers and are costing us revenue in two ways: *we are losing prospective students due to our lack of quality housing options, and we are losing upper-class students to off-campus options for the same reason.*

The sub-committee is also in agreement that *the University must do more to recruit and serve transfer students.* In an era that is experiencing growth in transfer populations, Drake is enrolling fewer than in previous years.

The sub-committee also discussed the viability of new academic programs. Much of the discussion pointed toward non-traditional offerings. As this is the purview of another committee, we touched only briefly on this area as an alternative revenue source.

The sub-committee also spent time discussing both need and merit based financial aid. This is an institutional resource that we must be diligent in protecting. It goes without saying that without this resource our cost would be prohibitive to many families. At the same time *it is incumbent upon us to investigate whether or not we are using our aid to effectively increase our net revenue.*

Financial Aid

Before reading this section, you are encouraged to make yourself familiar with the financial aid terms defined in Appendix D (p. 58). We believe that no discussion on enrollment management can happen without an understanding first of how financial aid operates.

Drake has worked with Noel Levitz, an enrollment management consulting firm specializing in financial aid strategies. Together, we have developed a net revenue model that takes into account all the differences that Drake students bring to campus. Reaching net revenue goals most often means creating differential discount rates for specific populations based on the institution's ability and desire to recruit those populations (e.g., out-of-state arts & sciences students). Net revenue models assume that a certain amount of revenue per student is necessary no matter what the total enrollment. The model is based on institutional history, market demands and the enrollment priorities identified by the University. We have models set up to take into account student characteristics in the following areas: high school grade point average, standardized test scores, intended academic major, expected family contribution (EFC), children of alumni, ethnicity and athletics.

Our current NACUBO Discount Rate is 47.5, down from 48.2% the previous year. It is important to note that this rate excludes international students. While this number is important in accounting circles, net tuition revenue is our focal point. *Since we have a fixed amount of endowment and tuition revenue put aside for financial aid, it is important that we leverage our aid as strategically as possible to maximize net revenue.*

To do so, we must settle on a desired ideal enrollment. The majority of our financial aid resources are spent on undergraduates and thus we will direct our comments toward this population.

For 2004, we built a model seeking 775 new first year students (excluding internationals), at an average net revenue per student of \$17,784 and we finished the year with 785 new students at a net revenue of \$17,389 per student. We also enrolled 125 transfer students; however we currently do not have a revenue model set up for transfer students. We will deal with the importance of transfer students later in the report. The plan in place calls for continued decreases of the discount rate without risking quantity or academic quality.

We concluded that financial aid currently is being administered with an appropriate balance of methodology and common sense. The University has been cognizant of the financial burdens on our prospective families and has used pricing strategies accordingly. The continued use of financial resources toward merit aid is deemed worthy and imperative to ensure successful attainment of our enrollment goals. *As we look forward, we see the need for additional funds to be raised for endowed scholarships.* The ability to attract and retain quality students depends heavily on the availability of financial inducements.

Demographics

As we all have heard by now, the change in demographics is affecting our ability to meet our enrollment goals. Iowa is facing a substantial and sustained decrease in the number of graduating seniors. According to the National Center for Educational Statistics, Iowa had 1,300 fewer high school seniors this year than last.

According to the Western Interstate Commission for Higher Education (WICHE), we will begin to see a shift in the racial/ethnic make-up of the State's public high school graduates over the next decade that is unprecedented. The report, "Knocking at the College Door," issued by WICHE, tells us during the 1990s underrepresented racial/ethnic groups accounted for approximately 4.5% of all public high school graduates in Iowa. By 2001-02, it was 6.5% and is projected to double by 2013-14.

Each of the three main minority groups – Asian/Pacific Islander, Hispanic, and Black, non-Hispanic – is expected to graduate many more students into higher education than ever before in Iowa. Both Asian/Pacific Islander and Black, non-Hispanic students are expected to nearly double in numbers by 2013-14. Between 1992-93 and 2001-02 the percentage of Hispanic graduates doubled, accounting for 2% of all high school graduates in Iowa. However, by the class of 2014 this group will make up over 9% of all graduates state wide. During this same time period the White, non-Hispanic percentage of high school graduates will drop 7.5%.

Iowa is not the only state facing distinctly different and a reduced pool of prospects. According to WICHE, *the decrease in the number of high school graduates extends to the entire Midwest, with the exception of Illinois. But even in Illinois, the percentage of its high school graduates composed of minority groups is projected to grow to almost 40% when members of the class of 2014 receives their diplomas.*

Transfer Students

According to numerous reports, *nearly half of all students enrolled in postsecondary education are attending two-year institutions.* Nationally and locally, community college enrollments are soaring. These enrollments are driven by a number of factors such as convenience, flexibility of programs and cost. Additionally, the shifting demographics are also seen as a significant factor in the rise of popularity of two-year institutions.

Transfer students have emerged as a critical population in new student enrollments and are demanding a much closer look as we develop enrollment

goals. The decline in high school graduates discussed in the previous section is occurring at the same time that the community colleges are surging. The American Council of Education reports that 44% of all undergraduates in the United States are enrolled at community colleges. Additionally, nearly half of all first time freshmen (45%) are choosing the two-year college route. Of this group, 58% are female and 37% are attending full time. According to a report submitted to AACRAO (American Association of Collegiate Registrars and Admissions Officers) by Harding and Furbeck, 46% of all African-American undergraduates, 46% of all Asian/Pacific Islander undergraduates and 55% of all Hispanic undergraduates are enrolled at community colleges. In Iowa, while enrollment at the Regent institutions was dropping by 1.5% over the past year, the community colleges achieved an increase of 6%.

As a community, we must get past old stereotypes of junior college students. Community colleges are beginning to attract students who previously would not consider the two-year schools as options. Students are no longer choosing community colleges because they cannot gain admission to traditional colleges and universities, but rather because they choose to attend their local community college for a variety of "positive" reasons. In many cases, cost of attendance has encouraged families to investigate these schools. Many of these students are first generation college students, in some cases first generation Americans, who view the community college as a logical next step. The outcome is that community colleges are no longer seen as a place for underachieving students. *We must abandon our perceptions of community college students as lacking academic ability and embrace this population.*

It is time for us to realize the potential of transfer students in our enrollment models. We must find a better way to inform students of our existing articulation agreements and transfer plans, as well as develop new articulation agreement and transfer plans. We must develop partnerships with our local community college to ensure that we become the "preferred provider" of education for their graduates.

Additionally, we must find a way to assist transfer students once they arrive on campus in much the same way we assist freshmen. We expect first year students to struggle and we have many safety nets built in to ensure that we help them get back on track. Transfer students are at much the same risk and often come with greater pressures. These students are often the first in their families to attend a four-year university. They are just as confused by our campus terminology, structure and classroom assignments as our first year students and yet we expect them to navigate the system flawlessly. We must address this issue in the same way that we need to address the distinct issues faced by minority students.

International Students

Our ability to recruit international students largely depends on several factors: economic conditions, political stability within countries, educational opportunities within countries, the visa process and the attitude worldwide toward the United States. *The United States' market share of international students has declined since 1997* as compared with our two largest English-speaking competitors: Australia and the United Kingdom. They both have articulated national strategies for recruiting international students and developed coordinated campaigns abroad. During this time Drake has maintained its enrollment (See Appendix E, p. 59).

In addition to the factors listed above which applies to all US universities, *we also need to deal with the issue of Iowa's image. We must convince students to look past the big cities of either coast and consider coming to the Midwest.* This is one of the reasons that we, unlike many other institutions, offer financial aid to international students. Many Iowa colleges and universities have worked together to form a consortium, Promoting Iowa Education Internationally (PIE). While this is appropriate and useful, it does not solve our problems.

As a committee we agreed that *international students are important contributors to the campus community.* We also agreed that we must continue to cultivate new markets from which to draw students. China is a prime example of a possibility. While we are not yet convinced that China will provide a source of great revenue, we do feel it is a new market that needs to be developed for a variety of reasons.

New Academic Programs

With that as an understanding, revenue growth opportunities may have to come from the development of graduate and distance learning programs.

Information provided by Noel-Levitz regarding potential new undergraduate academic programs was less than encouraging. We were informed that many programs showing a growth pattern are not programs we that we would or should consider (i.e., recreation services, criminal justice and veterinary medicine). In addition, *the committee agreed that if we were to develop new programs it should not be at the expense of existing programs. New programs should bring new students to Drake, not sub-divide current programs.* We identified a Health Science Major as an example of a program with good potential.

Pharmacy presents a frustrating dilemma. *Increasing the numbers in pharmacy is a seductive short-term option from one perspective (with some very problematic consequences), but unlikely to be a viable longer-term objective.* We know that Pharmacy generates many quality applicants who – when admitted – yield at our

highest rate and deliver the highest net revenue per student. Additional pharmacy students beyond our current level would require investment in additional instructional resources, physical plant capacity and infrastructure – an investment that might be warranted were the projected future demand likely to continue or increase (that statement assumes that we would want a heavier representation of pharmacy students as we consider the appropriate “mix” of students on campus, and it is not at all certain that we would). However, there is a significant chance that we are on the edge of a downward cycle. Five years ago there were just over 70 pharmacy colleges, there are 93 as of today. The number will be over 100 within three years, making the competition for students, faculty and resources a growing issue. The modest decline in applications for Fall 2006 reinforces this concern.

Additionally, while the popular press has reported both the significant current demand for pharmacists in the United States and the high salaries (and signing bonuses) offered to recruit them, for Drake University there are two factors to keep in mind: research by the profession projects a softening of demand, and the greatest shortages are on the two coasts – not in the Midwest from which most of our students come, and where most plan to remain. Further, the profession has changes on the horizon that may negatively affect the demand (such as the Medicare benefit changes going into effect in January, and the pharmacy automation improvements that are being implemented).

Summer School Offerings

We do not view traditional summer school offerings as a viable option for generating additional net revenue for a very simple – but powerful – reason: students choose summer courses for reasons of convenience. As Appendix C (p. 57) indicates, there are various options offered locally for significantly less money than we can offer our courses. We do feel, however, that there is an opportunity to offer non-traditional summer programming to utilize the campus that goes largely unused in the summer months (the purview of Sub-Committee 5).

Residential Life

According to the most recent Admitted Student Questionnaire, our student applicant pool does not like the quality of our residence halls. The survey reveals that they view student housing as very important in the college search process and they rank our housing as poor. Additionally, not only do they not like our residential options – they also rank it below our competitors.

The state of our residential facilities is also causing us to lose revenue from upper-class students. These students are increasingly choosing to live off campus for their junior and senior year due to the poor facilities. This loss can be measured easily

in terms of revenue. We have maximum occupancy listed at 1,721 and we currently house 1,648 students. However, what is more difficult to measure is the extent to which this bad publicity is hampering our recruitment efforts.

In response to complaints from second-year students required to live on-campus, sophomores now have first priority in the room selection process, and some rooms are held for upper-class (3rd and 4th year) students. When those spaces were filled, leaving Jewett as the remaining option for upper class students, 40 students chose to live off campus this past year. The restroom facilities in Jewett are in very bad condition (they are scheduled to be repaired in the summer of 2006), and we have had numerous complaints on this issue from students and their parents.

Ericca Saddoris, Director of Residence Life, has identified many needs for the residence halls, including:

- Air conditioning for first-year student housing
- Improvement of bathrooms in Jewett and the Quads
- Kitchens for G/K
- Secured mailboxes
- Lobby updates
- Accessibility in the quads
- Hallway lighting and carpeting in the Quads and Jewett
- Apartments for hall directors

Ericca also noted that:

- Single rooms are not as popular with students as in the past. This appears to be a change in campus culture.
- G/K suites are the most desired because they are newly remodeled, not because of their design
- All students living in residence halls are required to purchase a meal plan (which may be an impediment for upper-class students)
- Ross Hall is not as popular since kitchens were removed. Originally used as married student housing, then apartments, it is now considered a residence hall

Drake students are now required to live on campus for two years. We could not accommodate all the students if the requirement were to be extended. Upper-level students now living on campus include athletes, upper level pharmacy students and international students. We do not have specific data on where off-campus students live. Some information is available from Drake Real Estate but not beyond that. If students are living in surrounding areas, that would help to build a case for building and providing housing. The residence life survey

conducted recently (and currently under analysis) will yield extremely useful information about student aspirations for living environments.

Themed living options are possible if space is available. Appendix G (pp. 61-62) shows a comparison of Drake's housing with some of our peer institutions. You will notice:

- Drake is second for cost
- All offer traditional housing for first year students
- Many have air conditioning
- Some have kitchens
- Upper class students pick from suites, apartments and traditional halls
- Housing amenities include: computer labs, kitchens, movie theatres, and exercise equipment
- Drake's rooms are the largest

Recommendations

As we examined revenue options we came to the painful conclusion that undergraduate enrollments are not going to provide significant additional revenue without adding resources.

We believe that international students could provide additional revenue eventually, but not until we establish ourselves as a preferred destination. This may be accomplished by establishing relationships with foreign colleges and universities, as well as with high schools overseas, providing us with a stream of students. However, it will not be a revenue generator in the short term.

We consider our existing residential options to be a detriment, and we must address the situation aggressively and urgently. It is our belief that investing in the residential physical plant is money well spent. While we admit that students choose to apply to Drake primarily due to our academic reputation, we know that students make their final choice based on a number of factors. Additionally, the decision to stay on for the completion their college degree is often fueled by the students' comfort level. Residence life plays a large part in the comfort level.

For Drake to achieve our enrollment target, improved student retention strategies geared toward upperclassmen are essential. To that end, we recommend that the financial aid office review current practices in packaging upper-class students. Currently, we do not increase aid to returning students even though we increase tuition and fees each year.

This policy is consistent with many of our peer institutions. However, we suggest that guidelines be established for review of additional aid to upper-class

students who have experienced significant changes in their financial need. We feel that it may be wise to consider these small increases in aid that will go far in preventing the combination of tuition increases and reduced family resources from becoming an obstacle. Again, we realize this is a new expenditure but we feel it will lead to improved retention and in turn improve net revenue.

In the next few years, it will be important for admissions and marketing to continue to work closely together to identify fertile target markets of future students, prioritize these markets based on admission potential, then align marketing dollars appropriately to each market. This strategic, focused approach to marketing might take the form of more direct, specific communication to potential students rather than mass market appeals.

Drake has been tuition-driven for 125 years and will continue to be so for the foreseeable future. This sub-committee was asked to examine the areas that currently provide the majority of revenue currently being generated. We respectfully submit that all the data considered points to a decline in “traditional students” (i.e., those close to our current demographic profile). We are seeing an increase in competition and a decrease in market size. Therefore, for us to be continuously competitive, we must reinvest in our core business while we cultivate new enrollment and revenue sources.

Note: See Appendices B and C to Sub-Committee I Report (pp. 55-57)

III. Sub-Committee 2: Retention/Graduation

The group was charged with examining first-to-second year retention, the graduation rate, academic programming, Student Life programming, academic support, the senior experience, and graduate student retention.

Data Analysis:

In order to understand retention and graduation at Drake University and develop recommendations, *the group gathered retention data for the past five years.* (Since graduation is a function of retention, that was the primary focus of the group.) Several critical points emerged from our analysis of the data.

1. *The first-to-second year retention rate has significantly improved since 2001.*

There is no need to rehash previous discussions of this development, except to note that first-to-second year retention was 81 percent in 2001. The rate for 2004 was 86 percent, and the rate for 2005 is 85 percent.

2. *There are few major differences in first-to-second year retention rates by the variables examined (e.g., gender, ethnicity, school/college).*

The following provides the basis for this conclusion.

Gender: Retention 2002-05

Females:	84.5%
Males	85.3%

Perhaps the most remarkable thing about this finding is that is significantly different from the pattern usually found in higher education. Typically, the retention rate for females is higher than that for males. For Drake, the rates are almost identical.

Ethnic Status: Retention 2002-05

Asian	83.5%
African American	80.9%
Hispanic	82.1%
International	88.1%
Other	84.1%
White	84.8%

The most unusual finding is that the retention rates are comparable across ethnic groups. The national pattern reported in the literature on retention is that the rates for students of color are much lower than those for white students.

College/School: Retention 2002-05

A&S	84.6%
CBPA	82.5%
SJMC	85.1%
SOE	83.0%
Pharmacy	87.5%

Again, there is no statistically meaningful difference.

ACT Score: Retention 2002-05

Under 20	68.8%
20-22	78.9%
23-25	81.0%
26-28	86.9%

28+ 91.5%

While the generalization that first-to-second year retention improves as the ACT rises is accurate, this finding is not unusual.

3. *Retention among transfer students is lower than those for new and continuing students.*

Retention by New, Continuing, and Transfer 2003-05

New	85.5%
Continuing	91.1%
Transfer	78.0%
Re-enroll	64.6%

“New” represents first-to-second year retention. “Continuing” refers to second-to-third and third-to-fourth year retention. “Transfer,” of course, refers to students who come to Drake after first attending another school. “Reenroll” students are those who are granted reenrollment after dropping out, either voluntarily or having been suspended for poor academic performance.

4. *Retention by class is as expected.*

Retention by Class, Sophomore to Senior: 2003-05

SO	87.4%
JR	93.5%
SR	94.6%

Read the above as follows: For sophomores, 87.4 percent returned to Drake University for their junior year; for seniors, the correct reading is that 94.6 percent either graduated or returned to Drake to finish their degree.

This finding is consistent with other studies of retention. *Retention by sophomores, however, could be improved.*

5. *There are few significant differences in the retention rates for continuing students among the variables examined.*

The following provides the basis for this conclusion.

Gender: Retention 2003-05

Females: 89.3%

Males 87.8%

Again, the most remarkable thing about this finding is that it is significantly different from the pattern usually found in higher education. Typically, the retention rate for females is higher than that for males. For Drake, the rates are almost identical.

Ethnic Status: Retention 2003-05

Asian	86.7%
African American	84.0%
Hispanic	87.7%
International	88.9%
Other	90.4%
White	89.1%

Again, the most unusual finding is that there are no major differences in retention by ethnic status. Retention rates for students of color nationally are usually much lower than those for white students.

College/School: Retention 2003-05

A&S	83.8%
CBPA	88.9%
SJMC	89.3%
SOE	89.0%
Pharmacy	94.9%

Pharmacy has a high retention rate after the first year, but that is not surprising considering the competitive nature of admission to the program. One consequence of the high demand for admission to the program is that the student profile in Pharmacy has risen dramatically the past few years. A better student profile means a higher retention rate. Among the other colleges and schools, there is no obvious difference.

Action Steps:

1. *Drake University has some good news that should be publicized.*

The retention rate for students of color is remarkable. Especially noteworthy is that the rate for African-American and Hispanic students is comparable to white students. It is a story we have not told well, but one that should receive much more emphasis in recruitment and also something that should be publicized on campus.

Primary responsibility: Admissions, M&C **Secondary:**
Start date: January 1, 2006 **Finish date:** Ongoing
Status:

2. *A study of students leaving needs to be completed so a new retention goal can be established.*

The highest retention rate for a Master's I institution in the Midwest is 89 percent. Is it realistic to set a goal of 90 percent for Drake University? This question cannot be answered until a study of students who leave is completed. The last such study was conducted in the late 1990s which means the data do not provide sophisticated insight into the Drake University student experience of 2005-06.

Primary responsibility: Assoc. Provost. Inst. Res. **Secondary:**
Start date: August 1, 2006 **Finish date:** June 2007
Status:

3. *While it may a challenge to dramatically improve the first-to-second year retention rate, there are measures that should be implemented. These include the following.*

- a. Establish an early alert team or system.
Greater coordination among Student Life, faculty members, and other academic division is possible. Early identification of students who are not attending class regularly or engaging in behaviors that will diminish the chances for success will create the possibility of coordinated intervention. Wanda Everage will work with CAAD to set up this network.

Primary responsibility: Everage & Bakari **Secondary:** CAAD members
Start date: August 1, 2006 **Finish date:** Ongoing
Status:

- b. Continue improvement in First Year Seminars
The quality of FYS has improved significantly during the past few years. Additional work can be done to create greater awareness of the expectations associated with teaching a First Year Seminar. Lon Larson, as Director of the Drake Curriculum, has responsibility for this effort.

Primary responsibility: Dir. Drake Curriculum **Secondary:**
Start date: January 1, 2006 **Finish date:** Ongoing
Status: In progress

4. *Retention of transfer students will be addressed.*

Several initiatives were launched the fall of 2005. Among these is the establishment of some events and sessions for transfer students during Welcome Days. In addition, transfer students were grouped in the residence halls in an effort to create a community similar to what happens by grouping first-year students according to FYS enrollment. These measures need to be assessed for effectiveness at the end of the 2005-06 academic year.

Primary responsibility: Everage & Bakari **Secondary:** CAAD members
Start date: August, 2005 **Finish date:** Ongoing
Status: Already underway; assessment needed at end of the year

5. *Sophomore retention will be addressed by the proposed "sophomore year experience."*

The "Achieving Learning Outcomes Through the Drake Curriculum" report proposes the creation of a sophomore year experience centered on the engaged citizen requirement. If adopted by the faculty, this effort may improve the sophomore retention rate.

Primary responsibility: Faculty; Dir. Drake Curr. **Secondary:** Deans
Start date: Summer 2006 **Finish date:** Ongoing
Status: Under consideration by faculty governance bodies

6. *Steps to improve the retention of graduate students can be taken.*

While the group did not have time to gather extensive data regarding graduate student retention, there are measures that can and have been taken. In the School of Education, for example, a process of tracking graduate student enrollment has been initiated. Students who do not enroll in consecutive semesters are contacted and encouraged to continue progress toward the degree. This has resulted a number of the students who had stopped out to resume degree work. The same approach can be adopted by the CBPA.

Primary responsibility: SOE & CBPA Deans Offices **Secondary:**
Start date: January 1, 2006 **Finish date:** Ongoing
Status: Already underway in SOE

The retention data from the Law School confirm that its historically high retention rates continue. In the period from 2003-2005, the Law School retained 91.0% of 1L students, 94.8% of 2L students, and 100% of 3L students. (In terms of revenue projections, these figures are understated because they do not include the students who transfer to the Law School from other law schools, typically five or six students annually at the beginning of the 2L year.)

The Law School provides another example of intervention efforts intended to improve retention. The faculty in the first-year legal writing classes identify students early in the first semester whose writing on initial assignments suggest they may be headed for academic difficulty. The Associate Dean follows up with each individual student, recommending participation in the Law School's Academic Success Program and identifying other Law School and University resources available to the student.

Primary responsibility: Associate Dean
Start date: August 1, 2005
Status: Already underway

Secondary:
Finish date: Ongoing

In conclusion, it should be noted that while they are important steps that should be taken, *it is unrealistic to expect that any of the actions mentioned above will result in significant additional revenue. Retention rates are already high. Improvements will not be dramatic enough to greatly enhance revenue.*

IV. Sub-Committee III: Graduate Programs

Process

The sub-committee began its investigation with an overview and discussion of the relevant parts of Drake University's strategic plan. The purpose of this discussion was to ensure that the investigation was consistent with the University's plan. Subsequently, the sub-committee developed a framework for the investigation of each college or school. They framed the investigation around the following topics: historical trends, enrollment, competition, existing programs, new or proposed programs, revenues, and resources required.

Drake University Strategic Plan

The sub-committee highlighted several areas of our Drake University strategic plan that are relevant to their charge:

Goal 1 deals with ensuring the excellence, currency, and appropriateness of academic programs. Goal 2 deals with improving and sustaining the financial strength of the University. It calls for increasing non-undergraduate net tuition revenues; developing net revenue-sharing incentive plans for faculty/staff, departments, and colleges for program development; and identifying, developing, and expanding distance learning opportunities. Goal 5 aims to improve relationships and communications with the University's constituencies (students; faculty; staff; boards; alumni; prospective students & their parents; friends; community; state; nation). It also specifies that we initiate and support partnerships with local organizations and institutions.

Section "III. Drake University's Future," focuses on producing a University budget that is characterized by integrity, based on conservative assumptions about projected revenue and expense and on long-term planning. Our University's resource allocation must be consistent with strategic priorities. Furthermore, our University strives to minimize dependence on tuition for operating revenue and to maximize revenues from other appropriate sources. Changing student demographics creates an additional challenge to achieving our goals.

Findings

The sub-committee found that there are substantial opportunities associated with new or existing degree programs in the School of Education, School of Journalism and Mass Communication, and College of Business and Public Administration. However, in order to realize their potential, it is crucial that these programs receive adequate investment in the form of promotion, equipment, and faculty and staff development.

SCHOOL OF EDUCATION (SOE)

Background

The School of Education has several programs: a large graduate program (approximately 620 students), adult learning, and extension education. The doctoral program serves the needs of the many Iowa education professionals who are interested in advancing in their profession.

The School conducted a survey of alumni, and current on-campus and off-campus students regarding distance education. There appears to be interest in blended instruction (part in-class, part web-based).

Overall, enrollments are stable. They are declining in the effective teaching master's program but increasing in elementary and secondary reading. To some degree, enrollments appear to be related to faculty resources. (In several areas of the state, the SOE is turning down prospective students in counseling and the educational leadership program [doctoral level]).

The SOE has major competitors from both online and live degree programs. In the distance-learning arena, convenience, low admission standards, and generous transfer credit allowances create challenges. In the areas of live competition, low tuition rates create a great challenge.

There are two programs within the SOE where there is little or no competition: Counseling and Rehabilitation, and Adult Learning and Performance Development. In the area of Adult Learning and Performance Development

(ALPD), there is virtually no competition from Iowa graduate schools. However, there is competition from online degree programs. There is also the potential for competition from a myriad of professional organizations.

Needs Assessment

The School of Education conducted a needs assessment and held a series of internal strategic planning meetings to discuss ways to increase revenue and enrollment. A preliminary report was prepared, indicating faculty interest in exploring online learning in five different areas: Middle School Endorsement, Gifted and Talented Education Endorsement (GTE), Counseling and Rehabilitation Degree, Leadership Degree, and Sports Management Degree.

The first two areas, Middle School and GTE endorsement, are already state approved endorsements, which would not require special accreditation or a site visit from The Higher Learning Commission. One program has just four courses and the other has two. These are areas of high need for K-12 schools and there is very little competition. The Counseling, Leadership, and Sport Management programs would require a greater commitment of time and resources but could be developed and delivered in the next two years.

Proposal for an Online Learning Development Plan

Based on planning and needs assessment, *the faculty and staff of the School of Education will propose to the University administration a three-year Online Learning development plan for enrollment and revenue enhancement in the graduate division. After three years, each of the proposed initiatives would be self-sustaining. This plan is the result of intense discussions and planning, and the School of Education faculty and staff are unanimous in their support.*

The criteria used for program selection included the following:

1. The programs must fit the mission and vision of the SOE and of Drake.
2. A significant market exists with the potential for immediate and sustained enrollment.
3. The program represents an innovative approach to the content and delivery.
4. Courses offered for PK-12 teachers must meet local, state, and national standards.
5. At least one department within the SOE must have content area expertise needed to guide the development, implementation, and assessment of the program.
6. Faculty of instruction would set admission requirements and oversee the application process.
7. When possible, the program would utilize courses already offered in one or more of the colleges at Drake.

8. Offering of Endorsements that could be transferred into existing degree programs.

In addition to this proposal, the SOE faculty and staff propose to take responsibility for developing and demonstrating various models of distance learning for the rest of the University. Once finished, templates and sample courses would be available in the following formats:

- Courses offered 100% online;
- Courses offered in a blended format for an entire degree;
- Courses offered with online modules featuring nationally known researchers and presenters; and
- Courses in one and two-credit blocks that can be offered online for open entry enrollment.

Starting in the summer of 2006, the SOE will propose to the University administration the following four new efforts:

1. Middle School Endorsement (online)
2. Gifted and Talented Education Endorsement (online)
3. Modularized instruction in Counseling (online units)
4. Master of Science in Leadership (blended learning model)

The designated faculty in each of the four areas would be paid stipends to design the content or transform existing content into an online format.

The Middle School Endorsement

The proposed online Middle School endorsement has two core courses (6 credit hours) required for all students. Because these courses are already developed for face-to-face instruction, and are approved by the Iowa Department of Education, they can be transferred to an online format in one summer and offered to students in the fall of 2006.¹

Gifted and Talented Education Program

The proposed online Gifted and Talented Education program (TAG) consists of 12 graduate credits. The TAG endorsement provides educators with essential tools to promote the talents and well-being of gifted students. Currently, Iowa

¹ The SOE frequently receives calls from teachers across the state who need a middle school endorsement in order to either keep their current job or to search for a new one. By providing an online/distance learning opportunity for teachers across the state, Drake will meet a growing need without competing with on-campus offerings.

teachers who are teaching gifted and talented students are not likely to hold the TAG endorsement.²

Counseling Program

The proposed Counseling program consists of a blended distance learning approach to the 18-course program (54 credit hours). Not all courses and/or all course sessions would be online. Courses would be partially converted into a modular online format if: (1) a distance-learning format is a better format for this learning objective and outcome; and (2) we can add distance-learning modules to increase the percentage of distance learning opportunities each semester. Each course would be broken down into 3-hour modules that would be templates for those to be developed in the future.

This approach is especially conducive for professionals who face barriers to graduate education. The market for graduate counseling degrees in Iowa is geographically dispersed. As more distance learning modules become operational, students interested in this program will face fewer barriers. This is especially true for people with significant disabilities who consistently encounter many barriers.

Master of Leadership degree

The Master of Leadership degree will utilize 6 courses that already exist at Drake and develop 6 new courses over the course of 2 years, for a total of 36 credit hours. It utilizes a blended approach to the delivery of the program. After reviewing the proposed program for the Communication Leadership degree and other courses within the College of Business and Public Administration and School of Journalism and Mass Communication, there appears to be an opportunity for collaboration. This proposed program has the potential to leverage our resources by taking advantage of faculty expertise and courses across our campus. (Discussions with the College of Business and Public Administration and the School of Journalism and Mass Communication are expected to take place during the spring 2006 semester.)

Like counseling, this blended approach to teaching and learning would make this program more accessible to those living far from campus and/or those with disabilities. We anticipate that the design work for this program could begin in summer 2006, with courses starting as early as spring 2007 semester.

² One source we examined suggested that only 25% of Iowa teachers of gifted students hold the TAG endorsement. Only the University of Iowa offers the endorsement. By offering this endorsement, Drake would be one of only two schools in the state offering the endorsement and the only one to do so online.

Required Resources

Implementing this proposal will require an investment in staff, program development, and equipment. (NOTE: requests for the resources required for this initiative will have to come through the standard SIP procedure of the University's budget process - DEM)

Staffing

The following table provides the expected staffing for the proposal.

Faculty and Staff Resources

Area	Staff
Initial program planning	Dean, Associate Dean, Director of Extension Education, Teaching and Educational Leadership Dept. Chairpersons
Program oversight	Dr. Robert Stensrud, Counseling Dr. Sally Beisser, Gifted and Talented Education Dr. Robin Lindbeck and Dr. Thomas Westbrook, Master of Science in Leadership Dr. Kristin Crabtree-Groff, Middle School Endorsement
Registration and enrollment assistance	Existing staff, Extension Education

Distance learning design,
formatting, links, server,
video/audio stream, etc.
24 hour help desk
Program Coordinator

Instructors

Current staff and outsource

Outsource

New Drake employee (Distance Learning
Program Coordinator)

Existing faculty, adjuncts and/or Clinical
professors

New guest presenters for counseling course
Modules

Existing faculty for first half of MSE In
Leadership, one new faculty member for
second half (2007-08)

Distance Learning Coordinator

The SOE faculty will request the approval of the four programs as a “package” in order to justify the addition of a Distance Learning Coordinator for the SOE. Faculty and staff have recognized the experience of the Dean and Director of Extension Education, but suggest that *the overall program design and administration warrants an additional full time, 12-month staff member*. This staff member would be responsible for facilitating the design, development, and implementation of distance learning instruction. In addition, he or she would be responsible for educating and training faculty, students, and staff in the use of educational technology, including face-to-face workshops, online tutorials, online classes, one-on-one assistance, etc. This position would strengthen the School of Education, especially Extension Education, by acting as a key distance learning resource.

This position would also work as a resource when other schools and colleges begin their initial online efforts. The development of this position would play a pivotal role in Drake's ability to react quickly to the needs of its online teachers and students, a must in today's fast-paced learning environment.

Other Resource Requirements

In order to deliver distance-learning programs, *we will need a robust technical infrastructure in place to support and sustain a major distance learning initiative*. (A working definition of technical infrastructure is hardware, bandwidth and 24/7 technical support of servers and software.) The programs will require 24-hour help line assistance to answer student and faculty technical questions.

The SOE faculty will need professional development support to recognize how to properly design and teach at a distance. In addition, the necessary technology (hardware and software) must be available to the faculty and staff for content

creation (e.g., PDF files, scans, digitizing audio/ video, etc.). Ongoing program coordination is essential.

It is necessary to develop an adequate orientation program to educate faculty and students as to what to expect when teaching and learning at a distance. An effective orientation program will also be useful for educating everyone as how to use a distance learning management system.

Faculty must be available to admit and advise students. For newly developed courses, the SOE faculty and administration expect to limit the number of individuals that can enroll. This will allow the SOE to fine tune systems and processes.

Preliminary Budget Forecasts

We have assembled preliminary forecasts for investment, revenues, and operating expenses. For the assumptions relating to the revenue forecast, and for assumptions relating to revenues, expenses, and investment, please see Preliminary Revenue Forecasts in Appendix B - Preliminary Budget for SOE Proposal (p. 55-56).

COLLEGE OF BUSINESS AND PUBLIC ADMINISTRATION

Background

The College of Business and Public Administration has four graduate programs: Master of Business Administration (MBA), Master of Public Administration (MPA), Master of Accounting (MAcc), and a new program, Master of Financial Management (MFM). (Committee discussions have excluded CBPA Professional Studies programs.) All of these programs are designed for fully employed professionals. They are offered on a part-time evening/weekend basis.

Students typically pursue their coursework taking two courses per term, spring, summer, and fall sessions. However, the programs are designed with sufficient flexibility to allow students who wish to pursue their degree program at a slower pace to do so by taking one course per term, or for those wishing to accelerate their program to study full-time. In all cases, students must complete their degree requirements within five years of enrollment in their first core or elective course. The table below provides the degree requirements for our CBPA graduate degree programs.

Degree Requirements for CBPA Graduate Degree Programs			
Degree Program	Credit Hours for Core and Electives	Credit Hours Including Foundation	Tuition per credit

		Requirements	hour
MAcc	30	51	\$430
MBA	34	49	\$430
MPA	36	N/A	\$350
MFM	33	39	\$430

The primary audience for the graduate programs is the fully employed professional. Programs are offered on a part-time evening basis with weekend and online courses used to complement the offerings. The majority of the students within the graduate programs are completing their degree requirements as part-time students.

A small percentage of students pursue their degrees in a full-time manner. These students take courses in the evening format; there are no daytime offerings. The majority of these students are international students or accelerated students—Drake undergraduates completing the graduate degree as a fifth year of study.

In addition to the individual degree offerings, the College provides dual degree options in cooperation with the College of Pharmacy and Health Sciences and the School of Law. These degree options result in the PharmD/MBA, PharmD/MPA, JD/MBA and JD/MPA.

In academic year 2004-05, 225 students graduated with a master's degree from the College of Business and Public Administration. Degrees awarded included:

Graduates from CBPA Graduate Programs	
Program	No.
Master of Business Administration	115
Master of Public Administration	99
Master of Accounting	11

Master of Business Administration (MBA)

The MBA degree program uses an integrative approach that emphasizes real-world application of knowledge and problem-solving strategies and techniques. The program incorporates technology and management across courses, and is designed to suit the individual needs of the students. Emphasis Areas include Human Resource Management, Financial Management, Executive Development, and Non-Profit Management

Master of Public Administration (MPA)

The MPA program has developed a strong reputation for its unique structure and is among the largest MPA programs nationally. It is housed within the College of Business and Public Administration. It combines a public policy perspective with managerial coursework focused on the unique needs of public

and non-profit entities. This unique combination leads to an education experience that enhances both the managerial and policy attributes of MPA participants. Finally, the MPA program contributes to the CBPA goal to provide targeted degree programs addressing the specific needs of unique market segments.

Master of Accounting (MAcc)

The MAcc is designed to complement prior education and equip students to reach their professional goals. As with all our graduate programs, instructors are full-time faculty who pursue a real-world approach. This allows students to apply what they learn immediately to their jobs. The program also provides students with the requisite knowledge to sit for the Certified Public Accountant (CPA) examination and to enter the profession of public accounting.

Master of Financial Management (MFM)

CBPA initiated the MFM program in the fall 2005 semester. It is a unique and specialized program that sets Drake University apart from other academic institutions in the Midwest. It is targeted toward improving the knowledge, skills, and ability of individuals working in the financial services industry. Program electives provide a set of classes that help students pursue the Chartered Financial Analyst (CFA) designation.

Historical and Forecasted Trends

MBA

From 2000-05, the MBA program has experienced declining enrollment for two reasons. First, *declining MBA enrollment is part of a national trend*. Second, the Program is subject to *intense competition from the University of Iowa, Iowa State, and other classroom (e.g., Upper Iowa University) or online programs (e.g., University of Phoenix)*. The table below provides a comparison of the three main MBA programs in the Des Moines metroplex.

Comparison of MBA Programs in the Des Moines Metroplex

Item	Drake	Iowa-(Des Moines)	Iowa State
Entry:	fall, spring, summer	fall, spring	fall
Cost per hour:	\$430	\$442	\$413 (+\$195 fees per semester)
Hours to finish:	34 hours	45 hours	48 hours
Size (2004):	255	250	154
Average age:	29	31	31
Work experience:	Not tracked	8 years	8 years
Comments:	Full schedule in	Allows students to	Least flexible

summers; flexible scheduling; greater variety in elective options; on-site access to professors and campus resources	take 9 credits before admission to program	program as far as scheduling courses
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The MBA program is mature and faces an extremely competitive market. Increasing the enrollment will take hard work and innovation. (CBPA is currently examining the program, and will make recommendations for change in the spring 2006 semester.) Nevertheless, it is important to note that given current staffing, tuition rates, and a two-year completion period, each additional MBA student brings in \$7,310 per year, with hardly any additional out-of-pocket expense.

MPA

In contrast to the MBA program, the on-campus MPA program (MPA-DM) has been growing steadily. Furthermore, the growth has been greatly enhanced by the provision of off-site programs in the Quad Cities and Ames areas of Iowa. (The third cohort group in the Quad Cities started in the fall 2005 semester, with approximately 20 students enrolled. The first cohort group at Mary Greeley Medical Center in Ames has 23 students enrolled in their second year of courses.)

The MPA program, while mature, is not subject to the intense competition faced by the MBA program. Furthermore, given the growing importance of non-profit entities, especially health care, it probably has additional potential for growth. Given current staffing, tuition rates, and a two-year completion period, each additional MPA student brings in \$6,300 per year in incremental revenue, with very little additional out-of-pocket expense.

MAcc

The MAcc program is relatively new, and has grown rapidly from its inception; enrollment grew from 15 in 2000 to 31 in 2005. However, its rate of growth has been slowing, and it is expected that the growth will continue to decline unless the program is aggressively promoted. Iowa and contiguous states have instituted a 150 credit hour requirement for attaining the CPA designation. This has created a demand for additional accounting coursework. *With aggressive promotion, the enrollment in our MAcc program could reach the 50 – 60 student level.* Given current staffing, tuition rates, and a two-year completion period, each additional MAcc student brings in \$6,450 per year in incremental revenue, with very little additional out-of-pocket expense.

MFM

Finally, the new program, Master of Financial Management (MFM), began in the fall 2005 semester with 10 students, and minimal promotion. As the above

discussion of the MBA might suggest, many students are switching away from the traditional MBA degree to specialized programs like the MFM. *The CBPA expects the potential enrollment of this new program to be in the 30 – 50 student range.* Given current staffing, tuition rates, and a two-year completion period, each additional MFM student brings in \$7,095 per year in incremental revenue, with very little additional out-of-pocket expense.

The following table provides the historical trends and three-year forecast for the CBPA graduate degree programs. The subsequent graph provides a graphical perspective.

CBPA Graduate Degree Programs									
Program	2000	2001	2002	2003	2004	2005	E2006	E2007	E2008
MBA	353	309	287	271	255	240	240	245	250
MPA	155	154	170	198	235	241	243	246	248
MAcc	15	18	18	24	28	31	36	40	45
MFM						10	15	21	27
Total	523	481	475	493	518	522	534	552	570
MPA-DM	155	154	170	164	195	200	202	204	206

Summary

Drake's MBA program is mature and faces intense competition. The MPA program, while mature, offers some potential for growth. *The new programs – MAcc and MFM – are the "fast horses."* *Given the competitive environment, promotion is crucial for all programs.* Regardless of program, the incremental net cash flow from adding one more student is roughly \$6,500 per year. This suggests that the returns to investment in development and promotion are substantial.

LAW SCHOOL

Background and Environment

The number of applicants to law schools has increased over the past five years. Nevertheless, it is expected that this trend will be reversed. Complicating matters is the fact that students are applying to more schools. Demographics are another factor affecting enrollment. The population is aging, and the 22-year old age cohort is expected to grow slowly over the next two decades. Furthermore, it is expected that the target population will be considerably more diverse. This may present additional challenges in the form of increased financial need and lower LSAT scores.

Fewer applicants clearly mean greater competition among schools for students. In addition, the market for continuing legal education is splintered by a myriad of providers. There is keen competition in the Midwest for strong academic students, and there are very good public schools with heavily subsidized tuitions. Furthermore, private schools are increasingly intensifying their recruiting efforts.

Given the demographics, the Law School may have to limit enrollment to a number that is less than our optimal capacity. *The optimal maximum capacity, consistent with academic profile goals, is estimated to be about 450 students. However, the University should be prepared for a total full-time enrollment as low as 420, or 140 per class.*

New Programs

New programs and continuing legal education (CLE) programs are unlikely sources of significant new revenue. Advanced law degrees are not sought in sufficient quantities. A part-time program may not produce a net increase in enrollment; part-time programs are typically viable only when located in a population base exceeding one million. Hence, the Law School does not see additional potential outside of the current full-time law program.

PHARMACY AND HEALTH SCIENCES

Background

The Doctor of Pharmacy program starts as an undergraduate program. Hence, for the purposes of our investigation, this program is classified as an undergraduate program and is not investigated further.

Previously, the College had offered a non-traditional PharmD completion program to serve the needs of Bachelor of Science pharmacists. However, due to the large number of current graduates who already possess Doctor of Pharmacy degrees, as well as the decreasing number of BS pharmacists who are interested in pursuing a degree option of this nature, the market for this degree continued to shrink. The shrinking market had a negative impact on potential enrollment, and the College eliminated the program. Today, pharmacists (both BS and PharmD) are pursuing certifications in various disease state based programs. These disease state programs are intensive continuing education programs.

See Section 5: Non-Degree Programs for a discussion of Pharmacy and Health Sciences opportunities.

SCHOOL OF JOURNALISM AND MASS COMMUNICATION (SJMC)

Background

After the University's program and priorities review in 2000-2001, the School of Journalism and Mass Communication's master's program was suspended until it could be thoroughly evaluated and reconfigured. Enrollment had been declining gradually from 49 in 1996 to 31 in 2000. Two of the faculty members who had been teaching in the program retired during this period, and the School lacked the resources to continue to offer a quality master's program and maintain its undergraduate program.

Proposed Master's Degree in Communication Leadership

The Environment

The Des Moines market is rich with publishing, public relations, advertising, broadcast, and news professionals interested in preparing themselves for leadership positions. Our competitors have not ignored this market. Iowa State University offers a low-cost, 32-hour Master of Science degree in Mass Communication with two concentrations. The University of Iowa offers a 30-hour Master of Arts degree in Mass Communication with two emphases: "Professional Program in Journalism" and "Mass Communication." Thus far, the University of Iowa has not targeted the Des Moines market.

The Opportunity

This environment provides Drake University an opportunity to address increasing competition from other area communication programs by focusing on the unmet need in communication leadership. While communication management skills are widely available at a relatively low cost, specialized communication leadership strategies are not. Located in the capital city with a strongly connected alumni base actively involved in major leadership positions, this program is uniquely qualified to meet the strategic need. Communication problem-solving skills with a creative and ethical context provide the difference. The new program delivers a solid core with room to customize electives to meet specialized professional needs.

Program Overview

The Master of Communication Leadership is the result of a collaborative effort between the College of Business and School of Journalism. It leverages the resources of both entities. The program allows for individual customization. Students are admitted with a previous specialization in communication or business. Students then combine required courses in the two areas (13 credits in journalism; 9 credits in business) with customized electives (2 credits in journalism; 6 credits in business).

Admission would be granted based upon analysis of undergraduate (GPA), Graduate Record Exam (GRE) or Graduate Management Admissions Test (GMAT) for those who have been out of school for less than five years, an interview with the Graduate Director, Letters of Reference and presentation of a resume/vitae/portfolio. A minimum of two years of professional, communication-related work experience is preferred.

Budget Forecast

We have assembled forecasts for students, credit hours, revenues, and operating expenses. These forecasts indicate that the potential revenue and income is substantial. Note especially that there is a significant budget allocation for advertising and promotion. This is crucial for the success of this program. Please see Appendix C –Budget Forecast for Master of Communication Leadership (p. 57) for details.

SUMMARY

Graduate Programs Subcommittee of the Strategic Enrollment and Revenue Planning Committee assessed the status and potential for graduate program revenue at Drake University. Representation and input was received from the College of Pharmacy and Health Services, College of Business and Public Administration, School of Education, School of Journalism and Mass Communication, and School of Law. *We find that there are substantial opportunities associated with new or existing degree programs in the School of Education, School of Journalism and Mass Communication, and College of Business and Public Administration. However, in order to realize their potential, it is crucial that these programs receive adequate investment in the form of promotion, equipment, and faculty and staff development.*

Sub-Committee 4: Non-Degree Programs

Drake University operates in a dynamic environment. As an institution, it is incumbent upon us to proactively seek means to best maximize the opportunities that exist in the market for our programs to insure our long-term success. Each program from undergraduate through graduate and professional programs faces challenges from external and internal forces. *The objective of the Non-degree Programs sub-committee is to determine viable opportunities for revenue generating, non-degree programming consistent with the mission of the university.*

DRAKE ADVANTAGES

Drake has a long-standing reputation for academic excellence. It successfully pursues the goal of a liberal arts education integrated with strong professional programs. *It is recognized by area institutions for graduates who provide significant contributions to their organizations. This reputation represents a significant advantage as Drake expands its efforts in non-degree professional programming.*

CONNECTING TO DRAKE'S MISSION

Expansion of non-degree professional programming is consistent with Drake's mission and strategic plan. This programming effort is specifically addressed in Drake's strategic plan by the following goals and objectives:

Goal 2: Improve and sustain the financial health of the University

Objective 2: Increase operating revenues

Goal 5: Improve relationships and communications with University's key constituencies

Objective 1: Develop and implement a strategy to enhance Drake University's visibility and impact in the Des Moines community, in the region and on a national level.

Additionally, the non-degree programming efforts can make a significant contribution to Goal 1: Ensure the excellence, currency and appropriateness of the Drake experience. Through non-degree professional programming, faculty can be exposed to environments rich in applied experiences. This allows them to bring the experiences into their classrooms at both the undergraduate and graduate level, significantly enhancing the overall experience of the Drake student.

EVALUATIVE FACTORS

As we begin consideration of the programming alternatives that may exist, we must thoughtfully evaluate a number of factors. In order to maximize

constrained resources, each opportunity will need to be evaluated in light of the following.

Market Demand

As a metropolitan university, Drake lies within an area that has the potential for unique opportunities for non-degree programming. For-profit, not-for-profit and public entities within Des Moines and the surrounding area provide a significant, prospective pool of participants. A metro population of 475,000 provides opportunities not unlike other significantly larger upper Midwest metros such as Omaha/Council Bluffs, Minneapolis/St. Paul and Kansas City. Drake is strategically placed to engage the professional community. As the largest metropolitan area in the state and the capital city, Des Moines provides a rich environment, however, without the density of population of the aforementioned cities. It will be necessary to determine if the market demand for any given program is sufficient to justify implementation.

Market Competition

The market for non-degree programming includes a multitude of options for participants: on-line programs, in-house training, alternative university offerings and low cost for-profit entities to name a few. Each outlet demonstrates its own unique aspects that need to be addressed in order to develop Drake programming that will be successfully differentiated.

Identification of Key Internal Strengths and Mission Objectives

As market opportunities are identified it will be necessary to determine if there is an appropriate match with Drake's areas of expertise and mission. Through identifying this match, Drake will position itself as a provider of choice for organizations seeking unique, targeted, and tailored programming.

PERSPECTIVE OF THE MARKET - MOTIVATION OF THE "BUYER"

The motivation for pursuit of non-degree professional education falls into one of two general categories: professional enhancement or personal enrichment. Additionally, the "purchaser" of the educational opportunity may be either an organization or an individual. These factors interact and play a significant role in the program design, delivery structure (face-to-face, online, or blended) and fee assessment.

Professional Enhancement

Pursuit of non-degree education for professional enhancement encompasses a number of programming opportunities. These programs include Continuing Education credits for professionals in fields such as accounting, insurance, pharmacy, law and finance. There are also skill development programs covering topics such as business technology, financial literacy, leadership and change management.

These programs are designed to provide participants with the knowledge and skills necessary to maintain and advance their professional careers.

Personal Enrichment

These opportunities encompass a range of subjects that can be addressed via our liberal arts background – music, philosophy, art, and science. Topics such as personal financial management, volunteer coordination or stress management may also be of interest to an individual seeking to expand their personal knowledge base in ways unrelated to an individual career pursuit.

These topical areas specifically address needs of individuals seeking to complement and enrich their personal knowledge base.

Organizationally Pursued

An expanding area of growth, organizations seek an institution to provide educational opportunities to their employees. These opportunities are sought in lieu of an in-house training department or as a complement to current training venues. In many cases, the educational need to be fulfilled is unique within the structure of the organization and may require more in-depth coverage than that readily available from in-house resources.

These programs are designed in a consultative manner with the organization. An assessment of needs and areas of improvement is completed. Agreement on number and selection of participants, timing of delivery (all day, partial day) and structure of program (face-to-face, online, or blended) are determined via a working relationship between the organizations. The outcome of the process is a program tailored to the unique needs of a specific organization. These organizationally driven programs are not universally marketed but rather are based on relationships developed with individual entities.

Individually Pursued

In the case of individually pursued programs, identification of a market need drives the design and implementation of the program. Through evaluation, a market need such as business technology competence is identified. A program is designed in response to this need and is open to all qualified participants. These programs are marketed in appropriate venues to generate participation by individuals seeking to gain competency in this specific area.

The factors indicated – professional enhancement, personal enrichment, organizationally pursued and individually pursued – have a synergistic relationship. They interact to influence the design and implementation of the programs as exhibited below.

	Organizationally Pursued	Individually Pursued
Professional Enhancement	A	B
Personal Enrichment	C	D

Quadrant A: Programs designed for an individual organization to meet the professional skill need of their employees. NOTE: This is viewed as the best opportunity for enhanced revenue generation based upon Drake's attributes and position in the market.

Quadrant B: Programs designed to meet a skill need of the professional population at large

Quadrant C: Programs designed for an individual organization to meet the personal enrichment need of their employees

Quadrant D: Programs designed to meet a personal enrichment need of the population at large

As indicated, each quadrant has individual implications with regard to program design and delivery structure. Additionally, program marketing, fee assessment and the opportunity to generate revenue will also be influenced by these factors.

The Market and Program Opportunities

As outlined above, the market for non-degree programs is broadly influenced by four factors. *Of the four quadrants of opportunity, A, B and D reflect areas that deserve further exploration for niches that Drake may fulfill. Quadrant C is not seen as a viable venue to pursue for revenue generation, as it is the least likely of all quadrants to exhibit the market demand necessary for implementation.*

Within the opportunity set, there will be varying degrees of revenue potential. In addition to the factors broadly established in each quadrant, the final consideration to evaluating programming opportunities must be any market conditions which may impact a given profession or market segment. For

example, it is anticipated that opportunities within the public sector would differ from those in the non-profit or business sectors. It is these additional factors which are considered in the opportunities which follow.

Pharmacy

Continuing Education (CE) Initiatives

The continuing education (CE) market is quite competitive for the 1-2 hour CE programs, many of which are available on-line and have pharmaceutical industry support. This makes them essentially free for the pharmacy practice community. We have two continuing education practitioner programs (no course credit hours provided) currently: one in diabetes and the other in community pharmacy management. Both programs are on-line. They are part of the College's attempt to leverage the resources of its faculty and staff.

Developing Skills in Diabetes Care

The diabetes program, Developing Skills in Diabetes Care, has enrolled 15-20 pharmacists per year. The College has only marketed the program to Hy-Vee pharmacists and by word-of-mouth. Currently there are two other on-line diabetes certificate programs for pharmacists, one at the University of Florida and another one at Purdue. It does not appear that either one of them are being marketed to audiences on a national basis. Consequently, the College is beginning efforts to promote these programs in other markets.

Community Pharmacy Management

The College's Community Pharmacy Management program, "Shaping Your Pharmacy Future," will be a series of five modules on pharmacy management, with pharmacists earning a Certificate in Community Pharmacy Management upon completion of all five modules. The College offered this as a "live" program in 2001, 2002, and 2003. Using grant funds, the College is currently developing the program as an on-line program. Initial marketing efforts have already begun.

The on-line Community Pharmacy Management program is unique to the pharmacy profession. Currently, the National Community Pharmacists Association offers a live program on financial aspects of the business entitled: "Profit Mastery." It does not include the other aspects of pharmacy ownership such as human resources/management, legal, marketing, or strategic planning.

Other Initiatives

Faculty members in the College of Pharmacy and numerous practitioners have expressed interest in developing additional certificate programs. It is envisioned that in the near future, we will have available programs in Mental Health and Pain Management.

Revenue Potential

It is very difficult to forecast enrollments, expenses, and income for the CE initiatives. The College expects enrollment in a given program to be between 10 - 15 participants per year. Fortunately, the expected expenses are largely variable, and would be covered by the revenue generated. For example, faculty/program contributors are expected to be paid on a per person-enrolled basis. This creates a modest profit for any program offered, and minimizes financial risks for the College and University.

Law

It is the perspective of the law program that continuing legal education (CLE) programs are unlikely sources of significant new revenue.

Business and Public Administration

Accounting

An opportunity to address a gap currently existing in continuing accounting professional education has been identified. To maintain licensure, 80 hours of continuing education must be completed every two years. The School of Accounting Professional Advisory Board has indicated that there exists an opportunity for Drake to meet this need. Current offerings for professional education are not always consistent with organizational needs. In light of this, Drake is exploring the offering of a continuing education program in XBRL for summer 2006.

Business Technology

Effectively and efficiently utilizing business software to enhance decision-making is a critical need for organizations and employees. Otherwise successful individuals may be limited due to the lack of knowledge and skill with business technology. A Business Technology Certificate program has been designed to address this need. Designed on a module basis, participants select those areas in which they have need of development.

Entrepreneurial programming

Entrepreneurship is at the heart of small and growing businesses. Small businesses represent 97% of all businesses, accounting for 82% of all new jobs in recent years and contributing 43% to GNP. Much of the wealth and jobs are a result of entrepreneurial endeavors. Obviously, the market is full of those interested in developing the knowledge and skills needed to compete successfully. Even large corporations are looking for individuals with entrepreneurial traits and skills.

The need for entrepreneurial studies is becoming quite apparent and many universities are developing programs in entrepreneurship. The discipline is becoming significantly more refined and sophisticated with research articles and textbooks proliferating. Today more than 1500 colleges and universities offer some form of entrepreneurship training. It is an area that attracts non-business and business professionals alike. We will begin to explore opportunities to serve this market niche.

Health Care

A partnership with Mary Greeley Medical Center led to the development of the Health Care Leadership Certificate. This program provides a model example of the type of programming represented in Quadrant A. Working with the organization, a program targeting the development of management and leadership skills within the health care setting was designed. Program participants were selected from within Mary Greeley and program content was tailored to their unique challenges. To date, this program has had 50 participants. Continuing cohorts are planned with the intent to expand the offering to additional providers.

Insurance

The Kelley Insurance Center has long been recognized as a significant provider for continuing education in the insurance industry. With the increasingly complex environment of the industry, this need continues to be a viable opportunity for program development and revenue.

“Mini-MBA”

Designed to meet the needs of corporate partners, this program would capitalize on the strength of the applied approach of business faculty. Program design encompasses fundamentals of “hard skills” (e.g. financial statement analysis and capital budgeting) coupled with the perspectives of leadership and change management. This program is tailored to individual organization’s needs with the intent to offer cohort programming on an ongoing basis.

Non-profit

A successful partnership between industry and the non-profit sector couple with Drake’s expertise in management and leadership, led to the development of the Non-Profit Leadership Certificate. Designed to enhance the management capabilities of hands-on, non-profit leaders, this program is currently serving its second cohort of 25 students. It is anticipated to be an ongoing partnership that will have significant impact on the non-profit environment of the metro area.

Public Sector

The public sector is a unique environment that provides opportunities for the development of significant partnerships. Recognizing that their professional management base will be undergoing a significant re-alignment in the upcoming years, this sector seeks to develop the leadership and change management skills of its employees. The Certified Public Manager program is one example of the opportunities that exist within this sector.

Developed in partnership with the State of Iowa, this certificate program is the only nationally accredited program of its type in the state. Designed in a cohort format, this program will have successfully graduate 125 participants as of Fall 2006 and has been renewed for continuing cohorts.

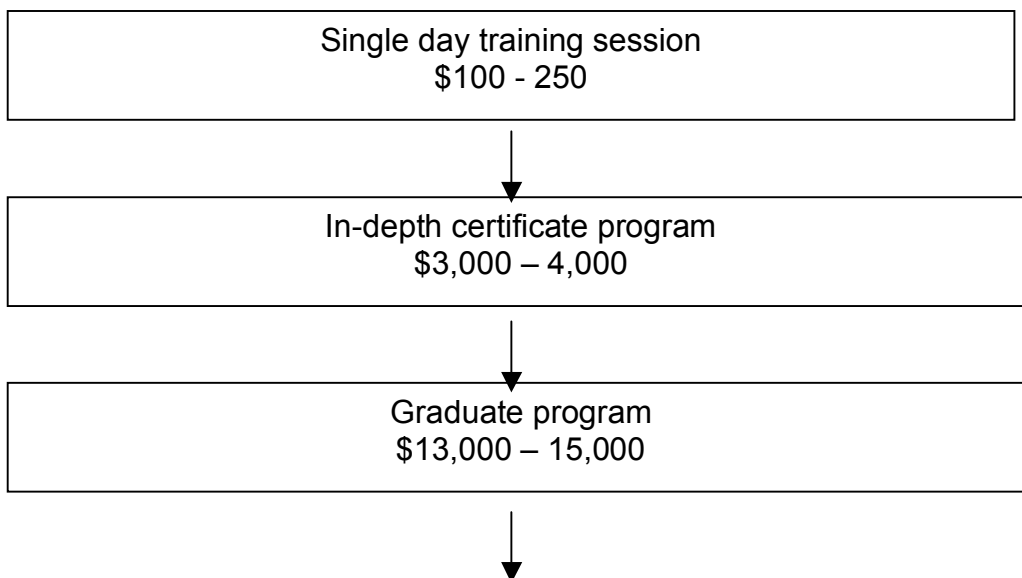
Revenue Potential

Potential for revenue of the above outlined programs will vary as fee assessment is based upon program length, design and complexity. For an individual participant, sample revenues are:

Single day training session \$100 - 250	In-depth certificate program \$3,000 - 4,000
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In addition, the life cycle revenue generated by an individual program is enhanced by the opportunity to align it with a graduate degree. In this case, an individual participant, selecting a full enrollment in designed offerings, would generate the following potential revenue:

Example of individual participant experience:



Total \$16,100 – 19,250

By strategically developing this life cycle approach to programming, it is possible for an individual to become involved with Drake University as a student over a course of five or more years. This relationship may in turn then be cultivated by Institutional Advancement for ongoing giving opportunities.

SUMMARY

Programming may be designed that draws organizations and individuals into long-term relationships with Drake as an educational resource. Individuals attending single day workshops may seek certificate programs as a method to enhance their experience. Participants of certificate programs can move to graduate programs to further their knowledge and skills. Alumni of graduate programs can in turn be cultivated for institutional giving. These extended relationships can provide an ongoing source of revenue for the institution.

By strategically designing non-degree programs that feed into the graduate programs, as well as developing other professional programming that link individuals and organizations with the Drake experience, targeted revenue growth will occur. By developing the programming into a thoughtful and strategic entity, Drake will be able to capitalize on the unique assets it possesses and can offer to the community.

In determining which program efforts to pursue, Drake will need to consider the following criteria:

Value-added Programming: Drake offers something no other institution (or a very few other institutions) offers

Area of expertise: The programming that is offered is consistent with Drake University expertise. Our primary source of offerings should be from individuals within our organization, and carefully and thoughtfully supplemented by experts complementary to our goals. This strategy allows Drake to showcase their faculty as area experts. It enhances the development of closer ties with the Des Moines business, public and non-profit communities raising the visibility and impact of Drake within the metroplex.

There exists opportunity to enroll participants in future programs: The programming design is such that it naturally provides entrée to a next stage program, either an additional non-degree opportunity or a graduate program

There is substantial stand alone financial viability or financial viability plus the potential for future funding stream: In light of limited resources, any new programming effort should be evaluated in such a way as to reasonably determine if the financial viability of the program or that of the program plus potential future revenue is such as to make it an optimal selection.

V. Sub-Committee 5: Facilities Usage

Objective

The objective of this Sub-committee was to explore opportunities for additional net revenue generation from the expanded rental of Drake's facilities. Within that objective, the Sub-committee wanted to ensure that such *facility usage would be consistent with Drake's academic mission, would enhance recruitment of new students, and would protect the interests of current students.*

Priorities for Facilities Use

The sub-committee defined a hierarchy for any facility use at Drake. The first and foremost priority should be the delivery of classes at Drake and fulfillment of the academic mission; the next priority level is University administrative/business use and student activities; and finally, the third priority level is use by appropriate outside groups. No revenue is generated by either of the first two priorities; revenue potential is only realized by the rental of Drake facilities to outside groups.

Revenue Potential

In order to better understand the potential for additional net revenue generation, the sub-committee explored the following topics:

- **Market:** How much demand exists for the use of Drake facilities? Who is eligible to use Drake facilities? How does "who" relate to price?
- **Capacity:** How much unused facility capacity exists? Where is it? When is it? What are the implications for parking?
- **Pricing:** What is our pricing philosophy/structure? Can we increase our rental fee? Should we standardize our rental fee across the campus?
- **Costs:** What additional costs does/will Drake incur as a result of expanded facility usage?
- **Liability/Legal:** What additional risk is assumed when non-Drake parties use/rent Drake facilities? What measures are required to mitigate that risk? What tax implications should we consider? What legal issues should be considered or resolved?

- **Scheduling/Coordination:** How will scheduling and prioritization of facility use be handled? How will related services, such as catering, security, audio visual, billing & collecting, be coordinated?
- **Staffing, Service and Accountability:** Do we want to continue the current decentralized system of facility rental or should we develop a centralized model with standardized service and performance expectations? What policies and procedures and changes are required to shift Drake's facilities rental operation to a higher level?

Each of these topics is addressed in some depth below. In most cases, a summary of the existing situation is followed by the sub-committee's recommendations for improvement and revenue enhancement.

Market

Between Drake-sponsored events and non-Drake events, the campus facilities are in high demand. The capacity does not exist to meet all the demand. Therefore, the sub-committee expressed interest in focusing facility rental on mission. That is, groups, activities or events held in Drake facilities should be limited to those with ties to Drake's mission.

Capacity

The sub-committee focused on four major facility categories: the Knapp Center and other Athletic facilities; Residence Halls; Olmsted Center and Levitt Hall, and classroom buildings. Current usage and excess capacity opportunities for each are discussed below.

Knapp Center and other Athletic Facilities

During the academic year, the Knapp Center is booked for events on 229 out of 265 possible days or at approximately 86% of capacity. Summer facility bookings for Knapp are at 69% of capacity. During the academic year, only 24% of the special events are non-Drake related; while during the summer 82% of the events are non-Drake related. Other Athletic facilities, such as the Bell Center and Field House are also booked for events at close to 80% of the available days. According to Mike Cigelman, Associate Athletic Director for Facilities, the ability of Drake's students to use athletic facilities is currently limited as a result of the number of special events planned in Athletic facilities.

Given current usage levels and the desire to accommodate student needs first, *there does not appear to be much opportunity for expanded use of the primary Athletic facilities. One opportunity for new revenue might be additional sports camps during the summer. The Tennis Center and renovated Stadium may present opportunities for new revenue as well. The Stadium could be rented for non-athletic activities such as high school/middle school band*

workshops, as well as for various music events. As with all Drake facilities, some down-time during each year is essential for periodic capital maintenance and repair.

Residence Halls

Residence Halls are generally occupied to full capacity during the academic year. However, the summertime does provide some opportunity for expanded use. Currently, the non-air conditioned Quads are not used in the summer and are not an attractive option for camps or conferences. Excess capacity exists in Goodwin-Kirk and Ross Hall, which are both air-conditioned. Morehouse and Jewett are also not fully utilized in the summer. A minimum of two weeks of downtime is required each summer to permit facilities staff to clean and maintain the residence halls prior to the opening of the academic year. In addition, summer capacity will be affected as residence halls are taken off-line for renovation. Utility costs will increase if utilization of the residence halls is increased in the summer. Nevertheless, *capacity exists for additional revenue generation from the residence halls during the summer months.*

Olmsted Center & Levitt Hall

Usage of the Olmsted Center by outside groups has increased significantly over the past three years as a result of a concerted effort by Sodexho to increase "Meeting Services" revenue. The upstairs conference rooms in the Olmsted Center are booked close to 100% of capacity throughout the academic year and summer. Parents Hall is booked with events approximately 65 to 70% of the available hours during the academic year and at 100% of available hours during the summer. The Drake Room is used at approximately 40% of available hours during the academic year and 73% during the summer. Bulldog Theater is used approximately 30 to 32% of all available hours year round. The small conference rooms on the first floor are booked at about 55% of capacity during the academic year and 73% during the summer. The Pomerantz conference room and stage are only used about 3% of the hours available during the academic year, but usage during the summer approximates 18 to 25%. Levitt Hall (which is rarely used by outside groups) is booked 30 to 35% of all available hours during the academic year and approximately 61% during the summer. Parking availability is always an issue for outside groups booked during the academic year. *Overall, some additional capacity exists for increased use of these facilities, especially during the summer months.* Carla Carlson, Director of Dining and Meeting Service Operations for Sodexho, estimates that an increase in gross revenue of \$100,000 to \$150,000 may be possible over the next couple of years. Long lead-times are common for summer conference groups so Drake needs to make its own long-term summer plan for

facilities use (e.g. orientation) and renovation in order to accommodate additional summer bookings.

Classroom Buildings

The ASTRA centralized scheduling software system is in its first year. Based upon the data obtained from ASTRA for fall semester 2005, classroom building utilization varies between 34% and 65% with most classroom buildings occupied between 35 to 38% of the total hours available (even more variability exists at the individual room level). Most classroom buildings offer significant unused capacity on Fridays and Saturdays. Summer use of classroom buildings is minimal. *Facility capacity exists for expanded summer school classes, for summer academic camps, and for various workshops or conferences.*

Pricing

Currently there are no standardized rates for Drake facilities rental; rates are determined by each scheduling unit (e.g. Knapp, FAC, Sodexo, etc.). The Knapp Center charges market-competitive rates, while Olmsted rates are slightly below market with capacity to increase. Classroom rental rates vary. It has also become apparent that Drake is frequently providing space without charge to outside businesses and to groups claiming to be "Drake-sponsored" (more on that topic later in the report). Clearly, the development of a uniform and consistent pricing strategy would result in additional revenue to the institution.

Costs

Due to the decentralized management of facility usage, the routine accumulation and billing of direct and indirect costs associated with rental of a Drake facility is almost non-existent. Facilities-related overtime charges for various non-Drake events held on campus during 2004-05 totaled approximately \$52,000. Less than a quarter of that amount was actually billed out to the non-Drake facility user. Capturing and billing all costs associated with non-Drake use is a critical "next step."

Liability/Legal

Drake automatically assumes some additional liability when outside groups are permitted to hold events on campus. While the University requires that a certificate of insurance be obtained from outside groups, because of the decentralized nature of facilities rental, that policy is erratically followed (certificates are always obtained for use of the Knapp Center, but the practice is variable throughout the rest of campus). Tracking certain rental-related revenue for purposes of UBIT (unrelated business income tax) is not currently a standard practice due to the decentralized nature of the facility rental operation. The use of written contracts for facilities rental is also not a universal practice. Moreover, policies and procedures, as well as the actual contract forms are not consistent.

Scheduling/Coordination

Currently outside groups who wish to rent a Drake facility may be required to call several different offices to make arrangements (e.g., first, they need to find the correct scheduler for the unit; they may also need to call catering and security). Service/performance standards, billing and collection, contracts, and fees all vary depending upon the unit involved.

Staffing, Service and Accountability

Currently, management of the facilities rental is dispersed throughout the campus. Primary contacts include: Mike Cigelman for Athletic Facilities; Sodexho Meeting Services for the Olmsted Center, Levitt Hall and the Residence Halls; Marilyn Dean for Fine Arts and Sheslow; Deans' Offices' staff for various academic buildings; Margie Davidson for miscellaneous facility use; and Jolene Schmidt for outdoor facilities (such as Helmick Commons, Wifvat Plaza, the Agora, etc.). The rental process, fees, billing, and service levels vary considerably from unit to unit. No financial goals are set for these various facility rentals, with the exception of Athletics and Sodexho Meeting Services.

Conclusions and Recommendations by the Sub-Committee

Guidelines for Use of Facilities

The sub-committee recommends that the use of Drake facilities by outside groups must be mission-related, that is, the event or the outside group itself should meet at least one of the following criteria:

- It should have an educational purpose,
- It should have the potential to assist student recruitment,
- It should have the potential to enhance student financial assistance/scholarships, or
- It should have the potential to assist students with internships or job opportunities.

The following policies were defined by the sub-committee to assist in governing the use of Drake facilities by outside groups:

- If the event hosted on campus is a Des Moines community event, it must be an event that is open to the students and staff of Drake University.
- If the event/activity involves a user charge or fee to the participants (regardless of "sponsorship"), Drake will assess a fee to the outside group for the use of the facility.
- University facilities may not be used for free for commercial, personal or private financial gain or for commercial advertising.

Given the desire to generate revenue and mitigate risk, the need for a clear definition of “Drake sponsored” use of facilities is apparent. In the past, an outside group simply needed to have a contact person at Drake who was willing to “sponsor” the group. Drake sponsorship resulted in reduced fees or in many cases, free facility use. The sub-committee recommends the following policies related to “sponsorship” by a Drake employee:

- If an employee wishes to sponsor an outside group to use Drake facilities, the employee must have written permission from his/her respective Dean or Vice President via e-mail.
- “Drake-sponsored” events are defined as an event or visiting group that is hosted by a Drake faculty or staff member.
- The Drake sponsor will be responsible for all actions or inactions of the event/outside group and must be in attendance at the event.

Centralized Scheduling and Coordination

It is apparent to the sub-committee that the time has come to centralize facility rental. A new position (Events Coordinator) has been requested for the FY07 budget. The position would be responsible for scheduling and coordinating all facility rentals/events on campus. In addition, the position could also be responsible for generating new facility revenue. This position could be filled by a Drake employee or it could be added to the Meeting Services contract with Sodexo. The Events Coordinator position would act as the go-to person for both campus-based and outside groups. The position would be responsible for issuing all facility rental contracts/agreements; collecting insurance certificates; coordinating all required services (e.g., catering, audio visual, security, set-up and clean-up, etc.); and documenting the associated costs. All events would be scheduled through ASTRA, the centralized scheduling software system. All fees would be standardized and approved through the division of Business and Finance; all billing and collection for facilities rental would be coordinated through Accounting. In summary, the sub-committee believes that a centralized position charged with responsibility and accountability for events scheduling and coordination will enhance Drake’s reputation, reduce liability and increase revenue.

Future Potential for Revenue Generation and Mission Enhancement

It appears that some additional revenue can be generated from campus facilities rental. Three factors will contribute toward additional revenue: a) some limited capacity still exists for some expanded use, b) fees can be increased, and c) the practice of rent-free use of Drake space by outside groups should be curtailed and replaced by fees for service. Nevertheless, the amount of additional net revenue is not likely to be significant. It is estimated that \$200,000 to \$400,000 in additional net revenue from facilities could be generated over the next few years.

Yet, while the actual amount of direct revenue to be generated is not material, the enrollment and public relations impact from a modified strategic approach to facility rental could be very significant. As noted above, the sub-committee recommends that facility usage be mission driven. Currently, some sports camps are held on campus during the summer, yet Drake does not host any academic camps. Excess summer capacity could be used to generate various academic camps that would attract middle school and high school students to campus. *The sub-committee recommends that each college/school should consider hosting at least one summer camp each year in an area of academic expertise.* Some academic camps might be available only for entering freshmen, while some might reach out to potential future students. For example, if Drake wants to highlight its reputation in the sciences, a week-long residential summer camp for the best and brightest high school juniors might be created. Similarly, a day-long music or drama workshop for junior high students might offer Drake the opportunity to showcase its Fine Arts programs and generate interest in Drake among those potential students. *Such academic camps have the potential to effectively recruit students to Drake, generate needed revenue and enhance the reputation of Drake University.*

Appendix A – SERP Sub-Committee Chairs and Membership

Sub-Committee 1: Undergraduate and Pharm.D.

Chair Tom Delahunt, Vice President for Admission and Financial Aid; Erica Sadoris, Dir. of Housing/Residence Life; Brooke Benschoter, Dir. of Marketing and Communications; Randall Blum, Assoc. Dean of CBPA; John Burney, Dean of Arts and Sciences; Raylene Rospond, Dean of Pharmacy and Health Sciences; Susan Ladd, Dir. of Financial Aid; Jo Arbuckle, Assoc. Dir. of Admission; Leslie Mamoorian, Associate Dir. of International and Graduate Admission; Patsy Mattas, Recording Secretary.

Sub-Committee 2: Retention/Graduation

Co-chairs: Ron Troyer, Provost; Wanda Everage, Vice Provost; Sentwali Bakari, Dean of Students; Bill Dougherty, Prof. of Music & Assoc. Dean of Arts & Sciences; Lon Larson, Prof. of Pharmacy & Director, Drake Curriculum; Russ Lovell, Prof. of Law; Eunice Merideth, Prof. of Education & Assoc. Dean, School of Education

Sub-Committee 3: Graduate Programs

Co-Chairs Jan McMahill, Dean of School of Education, and John Rozycki, Assoc. Dean of CBPA; Renae Chesnut, Assoc. Dean of Pharmacy and Health Services; Danette Kenne, Dir., Graduate and Professional Studies; Robin Lindbeck, Assoc. Prof. of Education; Ronda Menke, Assoc. Prof. of Journalism and Mass Communication; Mary Reilly-Hoefling, Assistant Dir. of Graduate Programs (CBPA); David Walker, Dean of Law School

Sub-Committee 4: Non-Degree Programs

Co-Chairs Danette Kenne and Lance Noe, Director of Professional Studies; C. Kenneth Meyer, Prof of Public Administration; Allen Zagoren, Assoc. Prof. of Public Administration; Renae Chesnut; David Walker

Sub-Committee 5: Facilities Usage

Chair Victoria Payseur, Vice President for Business and finance; Erica Sadoris, Director of Housing/Residence Life; Jolene Schmidt, Dir. of Facilities (Sodexo); Hans Hanson, Chief of Security; Margie Davidson, Dir. of the Center for Student Records and Academic Services; David Wright, Assoc. Prof. Journalism and Mass Communications/ Assoc. Dean and ASTRA guru; Carla Carlson, Dir. of Dining Operations and Meeting Services (Sodexo); Mike Cigelman, Assistant Athletic Director for Facilities/Director of Recreational Services; Dave Blank, Athletic Director; Linda Ryan, Secretary of the University,

APPENDIX B - PRELIMINARY BUDGET FOR SOE PROPOSAL

Preliminary Revenue Forecasts

Preliminary Revenue Forecasts for the SOE Proposal			
	FY 2007	FY 2008	FY 2009
Number of students			
Middle School Endorsement	25	25	25
Gifted and Talented Education Program (TAG)	20	20	20
Master of Leadership Degree (MSE) - Cohort I	20	20	20
Master of Leadership Degree (MSE) - Cohort II	0	0	25
Counseling Program	0	20	20
Credit hours per student			
Middle School Endorsement	6	6	6
Gifted and Talented Education Program (TAG)	8	8	8
Master of Leadership Degree (MSE) - Cohort I	6	18	8
Master of Leadership Degree (MSE) - Cohort II	0	0	6
Counseling Program	0	18	18
Tuition per credit hour (\$10 increase per year)			
Middle School Endorsement	350	360	370
Gifted and Talented Education Program (TAG)	350	360	370
Master of Leadership Degree (MSE) - Cohort I	350	360	370
Master of Leadership Degree (MSE) - Cohort II	350	360	370
Counseling Program	350	360	370
Revenues			
Middle School Endorsement	\$52,500	\$54,000	\$55,500
Gifted and Talented Education Program (TAG)	\$56,000	\$57,600	\$59,200
Master of Leadership Degree (MSE) - Cohort I	\$42,000	\$129,600	\$59,200
Master of Leadership Degree (MSE) - Cohort II	\$-	\$-	\$55,500
Counseling Program	\$-	\$129,600	\$133,200
Total	\$150,500	\$370,800	\$362,600

Revenues, Expenses, and Investment

Preliminary Budget Forecasts for the SOE Proposal			
	FY 2007	FY 2008	FY 2009
Investment			
Program design: stipends to faculty			
Middle School:	\$5,000	\$5,000	
Gifted and Talented Ed	\$5,000		
MSE: Leadership	\$10,000	\$10,000	
Counseling:*	\$-		
Office furniture and computer	\$12,000		
Two faculty workstations (hardware and software)	\$10,000		
Total investment	\$42,000	\$15,000	\$-
Revenue	\$150,500	\$370,800	\$362,600
Operating expenses			
Instructional/ technical design and production			
Video and online production			
(1/3 existing staff, 2/3 outsourced)	\$40,000	\$20,000	
24 hour help desk (outsourced)	\$10,000	\$10,000	\$10,000
Distance Learning Program Coordinator			
(new position, salary and benefits)	\$65,000	\$68,250	\$71,663
Research and Evaluation		\$5,000	\$5,000
Ongoing costs consistent with current grad. programs			
Instructional salaries	\$30,000	\$30,000	\$30,000
Marketing	\$10,000	\$10,000	\$10,000
Supplies	\$2,000	\$2,000	\$2,000
Printing and Postage	\$3,000	\$3,000	\$3,000
Total operating expenses	\$160,000	\$148,250	\$131,663
Operating cash flows (revenues - operating expenses)	\$(9,500)	\$222,550	\$230,937
Net cash flows (revenues - operating expenses - investment)	\$(51,500)	\$207,550	\$230,937

* This program is expected to receive funding from three different federal grants. Hence, Drake resources will not be needed to convert counseling modules to an online format. For the first three years, the value to the SOE and to Drake will be the design assistance and implementation of modularized instruction. Until all courses are re-designed, there will not necessarily be new income or additional cohorts.

Appendix C -Budget Forecast for Master of Communication Leadership

Forecasted Budget for Master of Communication Leadership

	FY 2007	FY 2008	FY 2009	FY 2010
Students in program	15	30	35	40
Course enrollment per student per yr. (1)	6	6	6	6
Tuition per course*	\$1,290	\$1,290	\$1,290	\$1,290
Revenue	\$116,100	\$232,200	\$270,900	\$309,600
Expenses				
Salaries (Adjunct/Faculty)**	\$12,000	\$21,000	\$31,000	\$39,000
Benefits @ .3084%	3,701	6,476	9,560	12,028
Total Salaries	\$15,701	\$27,476	\$40,560	\$51,028
Other				
Supplies	\$500	\$1,000	\$1,000	\$1,000
Communications	750	1,000	1,000	1,000
Consultants	500	500	500	500
Events	500	1,000	1,500	2,000
Advertising	15,000	10,000	10,000	10,000
15% Indirect Overhead	2,588	2,025	2,100	2,175
Total other expenses	\$19,838	\$15,525	\$16,100	\$16,675
Total expenses	\$35,538	\$43,001	\$56,660	\$67,703
Net income	\$80,562	\$189,199	\$214,240	\$241,897

Appendix D

Financial Aid Terminology

EFC - Expected Family Contribution, the value calculated from the FAFSA and used in the formula that establishes a student's financial need (cost of attendance minus EFC equals financial need)

FAFSA - Free Application for Federal Student Aid

Grant - a need-based scholarship

Funded Aid - Aid funded from restricted and/or endowed earnings or capital set aside by the university

NACUBO - National Association of College and University Business Officers

NACUBO Discount Rate - Total dollars in institutionally funded financial aid divided by gross tuition and fee revenue (not room and board or other consumables)

Scholarship - award to student for special talent such as academic, athletic or music

Tuition Discount Types:

- Simple - a discount of tuition from unfunded waivers/grants/scholarships
- Scholarship Allowance - a discount of tuition including both funded and unfunded institutional waivers/grants/scholarships
- Student - the discount of cost of tuition including grants, scholarships, and waivers from all sources (institutional, federal, state, private)

Unfunded Aid - Aid that "forgives" tuition charges by awarding a waiver, grant or scholarship