Revenue Generation Through Graduate Program Growth

Stony Brook University

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Context

• Public Research University
• PhD emphasis with little tradition of stand-alone master’s degrees
• Budgetary crisis
• Master’s enrollment growth seen as potential source of revenue
• Master’s growth incentivized through tuition sharing plan (Fall 2008)
Academic Leadership Changes

- Transparency of budget information at all levels
- Institutional priority is revenue generation: Budget Officer and Provost develop tuition revenue sharing policy
- Institutional resources directed at all academic levels (vertical) and cross-administrative departments (horizontally) to accomplish the goal
Why Increase Master’s Programs?

• 75% of graduate enrollment nationwide, 90% of degrees awarded
  – Degrees awarded have increased 43% in the last decade
• Entry level degree for professional practice in some fields
• Lower unemployment rate
• Higher annual income
• Increasingly helpful for entry into PhD
CGS Master’s Fact Sheets

Why Should I Get A Master’s Degree?

A MASTERS’ DEGREE WILL HELP YOU TO:
• Advance in your career
• Become credentialed
• Earn a higher salary
• hone your professional skills
• Develop new competencies
• Change careers
• Enter a doctoral program
• Think independently and learn actively

More than nine out of ten U.S. citizens with at least a master’s degree say their health is good, very good, or excellent, compared to only about two out of every three of those without a high school degree.

Higher participation in civic activities.

In 2005, nearly seven in ten citizens with at least a master’s degree voted, compared to six in ten with a bachelor’s degree and only four out of ten high school graduates.

Bigger educated citizens.

The children of parents who have at least a master’s degree are better prepared for school, are more involved in all types of extracurricular activities, and are more likely to attend college.

References

Additional Sources of Information

A master’s education is the fastest growing and largest segment of the graduate education enterprise in the United States, representing 75% of graduate students enrolled and 90% of graduate degrees awarded. A major reason for this expansion is the development of new models to professionalize master’s education — a shift toward programs that prepare graduates for professional careers in business, government, and non-profit settings. Professional master’s degree programs combine advanced discipline-specific course work with workplace skills such as communications, critical thinking, time management, and a technological literacy that are highly valued by employers in business, government, and non-profit organizations. All these skills are highly transferrable as job changes and career moves occur. Additionally, a master’s education has grown dramatically because practice-oriented or applied master’s programs are now the accepted entry-level degree for professional practice in some fields, such as business (i.e., the MBA) and public health (i.e., the MPH).

The number of master’s degrees awarded in the United States has increased by 43% over the past decade, from about 409,000 in 1998 to over 588,000 in 2006. Growth has been fastest in education fields (up 44%, see chart) and science and engineering fields (up 29%).

Masters degrees are key for future employment and career advancement. The number of occupations that typically require a master’s degree will increase by nearly 20% between 2006 and 2016, nearly twice the rate of growth expected for all occupations, according to the Bureau of Labor Statistics. Furthermore, of the 30 occupations projected to grow at the fastest rates between 2006 and 2016, five generally require a master’s degree. This increase also increases the likelihood of current employment, according to the Bureau of Labor Statistics. In 2007, among individuals 25 years of age and older, the unemployment rate for those with a master’s degree as their highest degree was 1.8%, compared with 2.2% for those with only a bachelor’s degree, and 4.4% for high school graduates.

The potential income gain from achieving master’s degrees is substantial. Data from the U.S. Census Bureau show that over their working lifetimes, those whose highest degree is a master’s can expect to earn an average of $2.5 million, while those with only a bachelor’s degree can expect to earn $2.1 million (see chart on reverse page). In 2007, the median annual earnings of master’s recipients was more than $10,000 higher than the median for those with only a bachelor’s ($50,320 compared to $49,711). Beyond higher personal income and professional advancement opportunities, master’s degrees play a key role in producing educated citizens who contribute to the public good at the national, state, and local levels. Those with a master’s degree contribute to society in many ways, including:

Improved health and quality of life.

In 2005, nearly seven in ten citizens with at least a master’s degree voted, compared to six in ten with a bachelor’s degree and only four out of ten high school graduates.

Higher participation in civic activities.

In 2005, nearly seven in ten citizens with at least a master’s degree voted, compared to six in ten with a bachelor’s degree and only four out of ten high school graduates.

Bigger educated citizens.

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Providing leadership in education, non-profit, and government sectors.

Many master’s degree holders go on to teach in elementary and secondary schools or become leaders in non-governmental and governmental organizations. As the demands for increased services in the education and not-for-profit sectors continue to grow, more highly skilled individuals in these areas will be needed to improve the lives of all our citizens.

In the world that faces us, increasingly, a bachelor’s degree is no longer sufficient for future success. Individuals who earn a master’s degree will gain an edge in this increasingly competitive global marketplace, earn more money over the course of their careers, and play a substantial leadership role in the evolving knowledge economy of the 21st century. The benefits of master’s education have never been clearer than they are today. It works as a catalyst for those individuals who have initiative, drive, and talent to become successful, and plays an important role in our nation’s ability to learn.

Council of Graduate Schools
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Phone: (202) 233-3791 Fax: (202) 331-7157
www.cgse.org
Campus Concerns

• Potential for proliferation of weak programs
• Worry about adverse impact on PhD programs
• Suspicion about administrative motives (including the specific tuition sharing plan)
• Skepticism about value added for students
• Perception that program growth or creation is difficult and time consuming
Responses

• Faculty Senate committee to review initiative
• Meetings with each program individually
  – Collaboration across Provost, Grad School, Colleges, Senate, and Programs
  – Provide relevant data
  – Build understanding of effective approaches
• Report activity and progress to University Senate
Ground Rules

• Must not negatively impact PhD or undergraduate programs
• Must be fully fundable via revenue sharing
• Programs make their own choices within the rules/practices
Approaches

- Expand enrollment in existing master’s programs
- Begin enrollment in “fail-out” master’s programs
- Revive dormant master’s programs
- Propose new concentrations in existing master’s programs
- Propose new master’s programs
- Increase combined degree programs
Simplify Curricular Process

• Proposal primer
• Word Templates
• Weekly Clinics
• Streamline campus approval process
• Correct misperceptions about proposal process
New Graduate Proposals

• Step 1: Consult with:
  – Graduate School on general procedures and advice
  – College Dean’s Office for academic and resource support questions
  – Provost’s Office for financial and resource questions

• Step 2: Letter of Intent (LoI)
  – Prepare LoI following 2005 SUNY Guidelines (use template)
  – Campus Review of Letter of Intent
  – SUNY Review of Letter of Intent

• Step 3: Program Proposal
  – Prepare Proposal following 2005 SUNY Guidelines
  – Campus Review of Proposal
  – External Review of Proposal (site visit)
  – SUNY Review of Proposal

• Step 4: State Education Department Registration of New Degree Program
New Graduate Program Proposals

- **2007**: Spring - 3, Fall - 5
- **2008**: Spring - 3, Fall - 6
- **2009**: Spring - 27, Fall - 18
- **2010**: Spring - 38, Fall - 10
Tuition Sharing Policy

• Effective 2009/10, increases in tuition revenue over the 2008/09 baseline will be shared
  • 30% Administrative and academic support
  • 70% Academic Area
    – 55% departments, 7.5% Provost, 7.5% Dean

• Master’s Programs
• Self-paying PhD’s
Distribution Model

• Increase in tuition over 2008/09 baseline returned to the department in the semester it is earned

• Revenue follows the program “plan”
  – Non-matric revenue is distributed by course

• Snapshot data used
# Tuition Table by AAFTE

## % In state/Out of state

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<th>Departmental tuition revenue (55%)</th>
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# Tuition Table by AAFTE

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- **Total tuition revenue**
- **Departmental tuition revenue (55%)**
Tuition Sharing Results 2009/10

- 12.3% or ~$2.5M increase in masters’ tuition over 2008/09
- 70% or ~$1.7M returned to academic area
- 30% or ~$760K returned to central in support of Facilities, President’s Office
- Only increases in tuition allocated
  - Negative changes absorbed by Provost, Deans shares of tuition revenue
Might need emphasis
Charles Taber, 11/30/2010
Tuition Increase by College ($M)
Biggest Departmental Increases

- Business
- Computer Science
- Materials Science
- Applied Math
- Biomedical Engineering
- Creative Writing & Literature
- Psychology
Projected Tuition Sharing 2010/11

- 1.8M additional increase in masters’ tuition over 2009/10
- 70% or ~$1.2M returned to academic area
- 30% or ~$532K returned to central in support of Facilities, President’s Office
Might need emphasis
Charles Taber, 11/30/2010
2010-11 Projected Biggest Departmental Increases

- Applied Math
- Business
- Electrical Engineering
- Creative Writing & Literature
- Materials Science
- Math
- Political Science
College of Arts and Sciences response to Revenue Sharing Incentive Program

• Call for ideas how to increase enrollment in master programs sent to all 26 CAS Departments/Programs

• Provide specific examples for
  – Expanding existing programs
  – Evolving existing programs in new directions
  – Establishing new programs

• Compile 25 ideas form 23 Departments into a joint CAS response to initiative
Expanding Existing MA/MS Programs

• Utilize dormant MA/MS degree associated with any Ph.D. program
  – Example Chemistry stand alone MS program (36 credits over 1.5 years). Initially 4 students, then 8 per year. Recent course additions to graduate curriculum well suited to handle increased enrollment. No additional costs to Department.
  – Similar approaches in Economics, Comparative Literature, ....
Evolve Existing MA/MS Programs

• Combine existing degree programs
  – MA and BA degrees to 5 year programs,
    Psychology converted existing MA to 5 year BA/MA. Expect 15-20 students to enroll each year. Only minor costs to department, which will be covered by revenue.

  – MA/MS and MBA to dual degree programs,
    Art combines MA in Art History with MBA in Criticism at the College of Business (69 credit program, 21 in Arts). Initial enrollment 8 students growing to 15.

• Add new tracks to existing programs
  – Hispanic adds a linguistics track to their MA program
Establish New Programs

• Typically in areas without Ph.D. programs
  – Asian American Studies, area currently only with undergraduate program.
  – Interdisciplinary degrees, e.g. MA in Earth and Space Science which Geosciences, Astronomy and Atmospheric Science

• Use certificate programs to jump start MA programs
  – Africana Studies, understaffed to offer approved MA but can offer certificate program
  – Women and Gender Studies, certificate program used as seed for new MA program
Issues with Implementation of Ideas

• General concerns
  – Skepticism about intentions of administration
  – complexity of curricular development and approval process

• Academic concerns
  – Level of masters students compared to PhD students
  – Level of UG students not ready for masters

• Specific concerns with revenue sharing
  – Responsibility for revenue generation
  – Baseline methodology
  – Teaching students enrolled in out of department programs
Response to General Concerns

Skepticism, complexity of approval process

• Joint meetings of individual Departments with Provost office, Graduate School, College (CAS)
  – Clarify revenue sharing policy
  – Provide guidance on approval process
  – Identify opportunities tailored to specific department
  – Follow up with departments

• Weekly offered “Curricular clinic”

• Expedited approval process at all levels College - Graduate School - Provost
Response to Academic Concerns

Level of masters students compared to PhD or UG students

• Top students recruited from own undergraduate program at par or better than PhD students in many disciplines

• MA/MS students help to sustain minimum class enrollments in small Ph.D. programs (<5 students per year)

• Co-scheduling advance UG with MA level graduate classes can accommodate small masters enrollments (and help programs with small BA programs)

• Significant enough enrollment will support funding for separate masters classes (~15 students support faculty hire)
Response to Specific Issues

Responsibility for revenue and baseline methodology

• Baseline needs to as fair as possible since departments are responsible for revenue generation
  – Review five-year history of program enrollments by semester
  – Adjust baselines where unusual circumstance made 2008/09 artificially high

• Flourishing masters programs at disadvantage
  – Many at capacity, pool of qualified applicants exhausted, limits in course sizes → missed opportunity

• Open issue with baseline methodology: What to do if interest in degree program dwindles and enrollments decline?
Response to Specific Issues

out of department students

• Revenue sharing for interdisciplinary programs
  – Identify courses taken by masters students in programs outside of a department
  – Make data available to all involved departments and encourage cooperation
  – Broker agreements to split revenue between departments or to support specific courses in other departments
What are the key factors to increase revenue?

- Incentives – what is the “right” % distribution?
  - 70% Academic area, 30% administration
  - Department 55%
- Departmental meetings with reps from provost, dean, grad school
- Streamline curricular process
- Access to course level data
- University governance buy-in
- Weekly Curriculum “clinic” to revise/create masters proposals
- Revenue allocation in semester earned
Next Steps

• Standardize process
• Decentralize data access
• Marketing initiative funded through Provost tuition return
• Leverage model and newly forged relationships to expand to other revenue generating initiatives
Conclusions/Recommendations

– Incentives matter, but so do organizational practices and other institutional policies
– Teamwork earns dividends
– How to maintain/increase the growth
– What are the limits?