**International & Off-Campus Programs**

**4-1-4 Calendar Challenges and Opportunities**

1. **Introduction**

The proposal before the faculty to realign both load and calendar will have significant impact on Augustana’s study abroad and off-campus programming. The office of International & Off-Campus Programs seeks to assess the challenges this realignment poses and to propose strategies which would allow Augustana to meet two important goals, 1) to retain its current participation levels in off-campus programming, and 2) to support our ongoing commitment to faculty-led programming, both without negative financial impact to the college.

1. **Potential Impacts**

There are four primary challenges of a semester 4-1-4 calendar for IOP programming:

1. **Reduced student interest or ability to participate in term/semester-length programs.**

With a semester representing 1/8th of a student’s enrollment, vs. a 1/12th commitment under a trimester system, we anticipate interest in semester programs will be significantly reduced from current trimester enrollments. A program of study abroad limited to semester options would lead to a significant decrease in participation. Current large trimester programs which adjust to become semester programs should anticipate lower enrollment numbers than at present.

1. **Reduced faculty interest or ability to participate in term/semester-length IOP programs.**

The reduction in teaching load, as well as the restructuring of load into semesters will reduce faculty availability for study abroad. It simply will not be as easy for faculty to remove themselves from on-campus or departmental obligations. In addition, faculty commitments to family and other external obligations will also affect interest in participation in longer study abroad programs. A semester-focused program of study abroad will lead to a decrease in faculty participation in longer programs.

1. **A switch to semesters potentially increases costs to students for study abroad.**

There are obvious cost increases as we move from a 10-11 week program to a 14-15 week program, and as we increase course options to fit a student’s 4-course semester load. However, were we to maintain our current policy on tuition use, the added tuition dedicated to programs will largely eliminate the cost differential, making a 14-15 week program largely cost-equivalent to current programs. We anticipate a semester-length program as equivalent in cost to the current costs of a Fall or Spring trimester abroad program plus the associated ½ of Winter Term which would be absorbed into the Fall or Spring semester billing.

1. **A switch to semesters potentially increases the amount of unrealized revenue for the college.**

The tuition dedicated to program expenses, as well as the lost room & board revenue from students on semester programs does pose a significant budgetary challenge to the college. Were Augustana to offer only semester programs at equal numbers to current trimester enrollments, the college would lose an additional $700,000 or more each year in unrealized revenue. However, effective use of J-terms can greatly alter this potential challenge.

1. **Strategies to meet the challenges of a 4-1-4 Calendar**
2. **Use of J-term programming independent of tuition.**

Shifting approximately 2/3 of current student participation in off-campus programming to the J-term option (along with summer and break programs) tackles both the lost revenue issue as well as the student enrollment concerns. A 65-35 split is what one typically finds at peer schools at a 4-1-4 model and anticipates the expected reduced interest in semester off-campus programs. Peer schools currently report higher participation rates than Augustana, primarily through their use of the J-Term, including programs in cold weather climates. A model in which off-campus J-Term programs charge students travel costs, without a tuition or financial aid component guarantees the college 100% of annual tuition. It will increase realized revenue while also keeping program costs down for students, since at present tuition and faculty load charges on study abroad programs comprise a significant portion of program costs. We anticipate many of our current Winter Term, Spring Break and other short-term programs to opt for the J-Term option, which have the potential to be up to 5 weeks in length. Other full-trimester programs may also opt for a J-term structure, particularly those which use a single city or limited number of cities as program hubs.

1. **“Balance & Replace” Strategy for Semester Programs**

Balancing enrollments between Fall and Spring for the 1/3 of study abroad students who enroll in semester programs, combined with an admission strategy to replace a percentage of the “off-site” students will create a net gain in revenue. This strategy depends upon a targeted number of students who will be off campus during Fall and Spring semesters, initiatives to encourage these students to share housing and a plan to use the anticipated open rooms on campus (rooms empty while students travel) to increase college enrollment and bring in revenue to compensate for funds invested in off-campus program costs.

1. **Expansion of Semester Program Options**

An important component of our semester off-campus offerings will continue to be faculty-led programs, however Augustana will have other options, such as direct enrollment programs at foreign universities, third-party programs and expanded exchange program offerings. We anticipate several faculty-led trimester programs will opt for a semester model. While we anticipate that these programs will experience lower enrollments than in the trimester model, adjustments to budgeting can maintain viability for these options. These programs, in conjunction with exchanges, direct enrollment and affiliated 3rd party programs can provide options for students in regions underutilized in our current model and should account for 1/3 of the student off-campus experiences. Semester programs would retain the current model of 50% tuition utilization and full financial aid eligibility. Exchange programs are of particular interest in that they offer our students the chance to attend classes at universities abroad, engaging both international students and host-country peers, while also increasing the international student population at Augustana, with neither feature impacting the college budget, since exchanges are revenue neutral when balanced between outgoing and incoming student numbers.

1. **Proposed Additional Funds**

Were the college to adopt a 4-1-4 calendar, IOP would propose additional investment in off-campus programming, including the following items which directly impact program planning and student participation:

1. Funds for Faculty Development Trips: A fund, beginning at $24,000 per year, for grants to faculty to scout sites as part of the development of faculty-led J-terms and semester programs. This would remove “scouting trips” from the budgets of new programs, reducing the cost to students.
2. Targeted J-Term Grants to Students of High Need: $50,000 per year to grant 35-50 grants per year to students with high financial aid need, as J-terms would not be eligible for standard financial aid. J-Term costs are expected to range between $2,000-$4,000. This program, combined with Augie Choice, would offer these students up to $3,500 towards the cost of a J-Term program in their junior or senior year.
3. Removal of faculty load expenses from semester-length programs: Using some of the recaptured revenue from the 65/35 model proposed, IOP would propose eliminating the faculty load charges from semester length programs, to help these programs remain cost-competitive with third party alternatives. We anticipate a fund of approximately $160,000-$170,000 per year (increasing as faculty compensation increases) will cover these costs, allowing programs to operate without the need to budget for or compensate faculty for teaching loads or course releases. Additional stipends for faculty or directors would remain part of a program budget.

1. **Potential Financial Impact of 4-1-4 Strategies**

The proposals listed above seek to preserve our unique model for study abroad, retain current study abroad enrollments, provide the possibility of expansion to higher participation levels through J-Term and exchange options, and significantly reduce the cost to the college through unrealized revenue. It should also be noted that many of these strategies parallel those of several 4-1-4 peer schools (Luther, Gustavus Adolphus, St. Olaf and Centre College) who have reached significantly higher participation rates for off-campus study (60-80% participation) and who offer both semester and J-term programming.

The chart on the next page compares current college expenditures for study abroad (at 2011-2012 rates) with the potential expenditures of a 4-1-4 program as outlined above. This model assumes a 65-35% split between J-Term (and Summer or Break) programs and semester-length programs. Using this model, the revenue Augustana invests in Study Abroad and other off-campus programming could be reduced anywhere from 75-85%, from a current total just above $1.5 million dollars a year to an annual total below $200,000. Moreover, Assuming we build in future growth primarily through J-Term or Summer programming and expansion of exchange options, the potential exists to reach levels of participation similar to our peers (60-70%) without increasing the revenue investment beyond the levels indicated here.

 **Chart 1: Revenue Calculation for Proposed 4-1-4 Semester Strategies.**

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| --- | --- | --- |
| Budget Items | Current Trimester Calendar | Proposed 4-1-4 Calendar |
| Unrealized Tuition Revenue(50% of Trimester = $5,561)(50% of Semester = $8,341) | -$1,223,420(220 trimester studentsand 80 summer or break) | -$667,280(200 J-Term/Summer students20 exchange and 80 semester students) |
| Unrealized Room & Board($2,117 = Trimester[[1]](#footnote-1))($4,233 = Semester[[2]](#footnote-2)) | -$349,305(165 students,assumes 25% are seniors)3 | -$253,980(60 semester students,assumes 25% seniors)[[3]](#footnote-3) |
| Tuition from 24 Additional Students Brought to Campus.($33,363 per student) | $0 | $800,712(24 new students) |
| Room & Board: New Students($8,466 per student) | $0 | $203,184(24 new students) |
| Additional IOP Expenditures &Proposed Funding  | $0 | -$270,000 |
| TOTAL EXPENDITURE FOR OFF-CAMPUS PROGRAMMING | **$1,572,725**(unrealized revenue) | **$187,364**(unrealized revenue) |
| Total Savings | **---** | **$1,385,361** |

A change in calendar and load will present challenges. Current programs will need to adapt to either a semester or J-term model, faculty will need to prioritize study abroad if we are to support faculty-led semester programs, some funding will be needed to support these efforts, and the new schedule will cause current programs to undergo significant changes. However, the potential to both maintain or increase current levels of student participation, as well as the ability to retain our unique faculty-led format are not in danger from a 4-1-4 calendar. IOP is firm in its belief that if the faculty choose to move in this direction, our offices, working in tandem with faculty, will be able to provide our students with affordable, high-quality off-campus opportunities, including a wide range of Augustana-designed and led programs. We also believe that this can be done while also significantly reducing the college’s allocation of funds to support study abroad programming.

1. $2,117 represents amount of lost room & board per student, in that Fall and Spring program participants pay no room & board while they are off campus while Winter program participants pay 50% room & board as part of their program. $2,117 is the difference assuming, that 50% of students participate in Winter Term programs, a number which has been consistent in recent years due to growth in the Winter Trimester program options. [↑](#footnote-ref-1)
2. Represents 50% of annual room & board charges. Students on semester programs will not pay any room & board while away. [↑](#footnote-ref-2)
3. 3 An average of 25% of all study abroad participants at Augustana are seniors. As seniors do not live on campus, their participation is removed from the calculations for room & board. [↑](#footnote-ref-3)