DRAFT - PREVIEW

MONTGOMERY COLLEGE:
STRATEGIC ENROLLMENT ALIGNMENT & TUITION AND FEE PRICING STUDY

Final Presentation to College Enrollment Management Advisory Team

March 27, 2015

Agenda for Today's Meeting

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PROJECT OVERVIEW

The scope of Kennedy & Company's work is twofold:

1) *To identify a menu of possible tuition pricing structure options for Montgomery College, forecast the likely student reaction to each pricing structure and the resulting financial and enrollment ramifications from each option, and recommend which alternative tuition structure might best serve the needs of the college while optimizing financial aid resources.*

2) *To identify new enrollment opportunities and enhance efficiencies (and effectiveness) of enrollment management activities; gain insight into relationships with high-priority recruiting markets; define a fundamental framework for enrollment management that meets the College's goals and mission; and create a comprehensive enrollment plan that can be executed and monitored.*

Over the past 24 weeks, the Kennedy & Company team has performed the following tasks in order to accomplish this scope of work:

- Conducted 75+ interviews with Montgomery College leadership

- Collected and analyzed benchmark data on 6 competitor institutions

- Analyzed 3 years of MC admissions, financial aid, and course consumption data

- Conducted 6 focus groups with 50+ current MC students from various backgrounds and enrolled in various programs across different campuses

- Conducted secondary research on major population and demographic trends within Montgomery and surrounding counties

- Conducted secondary research and interviews with members of the Montgomery County Public Schools Administration to gain information on the College's pipeline in future years

- Surveyed the entire student body, receiving 7,059 responses, to test various tuition structures and attitudes regarding MC

- Met with the College's CEMAT group to gain insight into project and gather feedback on initial themes and observations

- Met periodically with the project Steering Committee to ensure project objectives were being met

WHAT WE HAVE LEARNED

- MC has the opportunity to be more targeted in its marketing efforts to prospective students.

- Communication of scholarship and financial aid options and offers must come earlier for traditional students.

- MC's largest opportunity to improve yield comes from assisting low-income prospective students to manage the financial aid application process.

- MC's student enrollment process should be streamlined to make enrolling and registering as easy as possible for new and returning students.

- Montgomery College needs a clear process for setting and evaluating strategic enrollment goals.

- All changes to enrollment strategy, processes, and pricing should be considered with a view towards boosting student retention.

Menu of Recommendations for Montgomery College

Our recommendations for Montgomery College fall into four primary categories that closely align with institutional strategic goals and will help lead the College to future success.

1 — Improve Outreach

- Implement segment-specific messaging
- Optimize marketing channels
- Coordinate and consolidate marketing spend for for-credit and WD&CE students
- Explore streamlining marketing management
- Redesign website

2 — Improve Yield, Reduce Melt

- Streamline scholarship process and timelines
- Create a data-driven approach to scholarships & aid
- Alleviate bottlenecks in the enrollment process
- Redefine roles and relationships between recruiting, financial aid, the welcome center and advising to improve customer service
- Implement new supporting technology to expand hours of service and customer focus

3 — Increase Course Consumption, Focus on Retention

- Implement 5th class 50% off tuition incentive
- Offer more courses online for all student populations
- Implement educational campaign for students and families on affordability and financial literacy

4 — Implement Strategic Changes

- Integrate new technologies with future retention efforts in mind
- Improve goal-setting and performance-measurement processes
- Establish a position responsible for coordinating all resources related to enrollment and retention
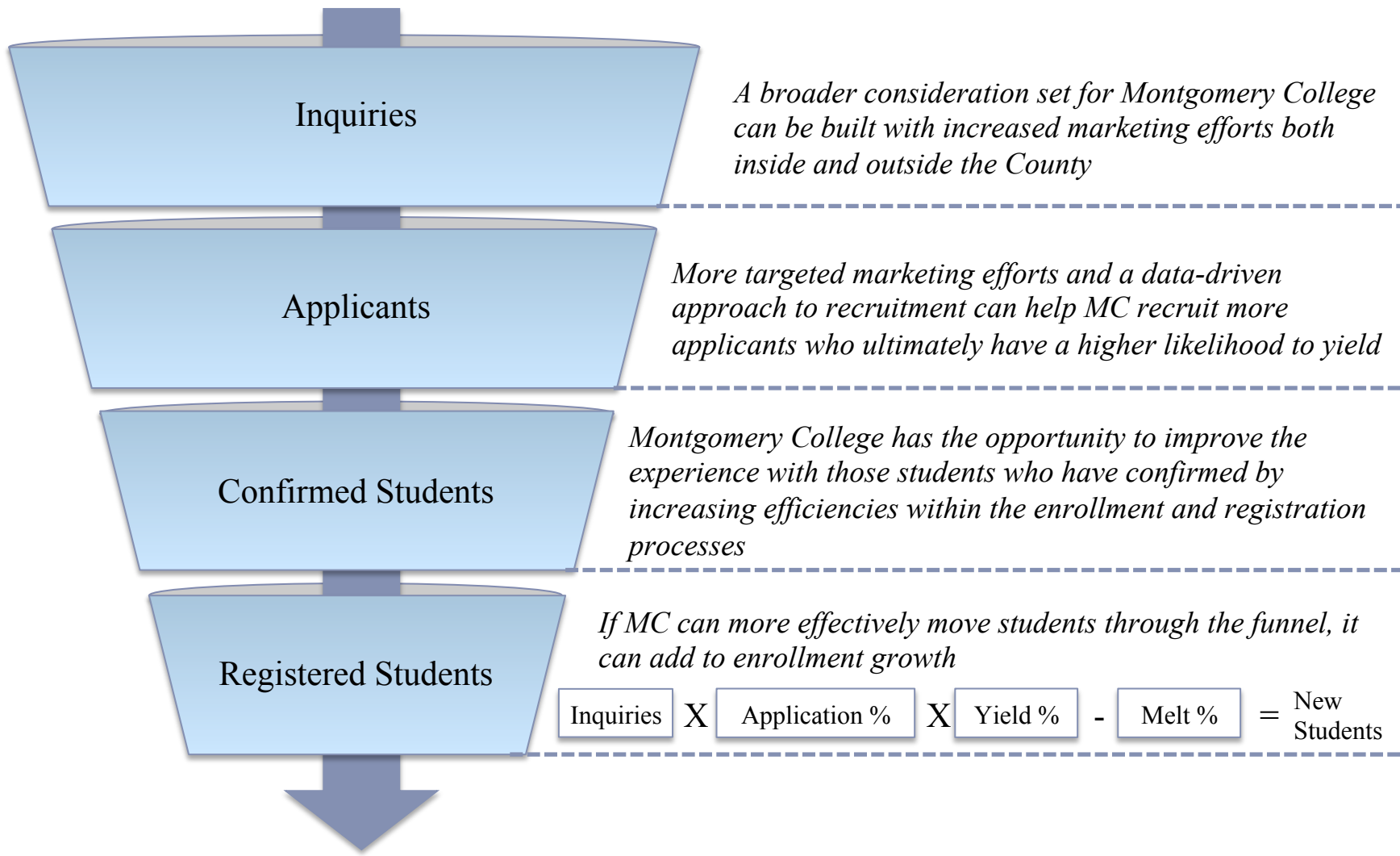
I Improve Outreach

Recommendations on Improving Outreach

Based on primary and secondary research and analysis of MC data, Kennedy & Company recommends several ways in which the College can improve outreach and ultimately grow enrollment.

- Montgomery College should create a more **targeted marketing strategy** that employs individual messaging for each of the various student segments at the College.

- Recruiting, Financial Aid, and Marketing should develop a **school-by-school strategy** for each public high school within MCPS.

- Montgomery College should **coordinate marketing spend** across the institution in order to increase buying power and expand reach in the market.

- The College should build more **awareness among the WD&CE population** and encourage them to transfer into for-credit programs.

- The College should expand its **online offerings** and stagger start dates for online courses.

- Implement a quick and easy **survey for non-registrants** in January and September.

Building the Enrollment Funnel for MC

In order to successfully build enrollments, Montgomery College will need to focus on increasing numbers at each stage of the enrollment process.

Inquiries

A broader consideration set for Montgomery College can be built with increased marketing efforts both inside and outside the County

Applicants

More targeted marketing efforts and a data-driven approach to recruitment can help MC recruit more applicants who ultimately have a higher likelihood to yield

Confirmed Students

Montgomery College has the opportunity to improve the experience with those students who have confirmed by increasing efficiencies within the enrollment and registration processes

Registered Students

If MC can more effectively move students through the funnel, it can add to enrollment growth

$$\text{Inquiries} \times \text{Application \%} \times \text{Yield \%} - \text{Melt \%} = \text{New Students}$$

CREATING A TARGETED MARKETING STRATEGY

Kennedy & Company has analyzed 3 years of admissions and financial aid data in order to better understand the unique student populations attending Montgomery College and how specific characteristics such as age, race, and financial need impact behavior.
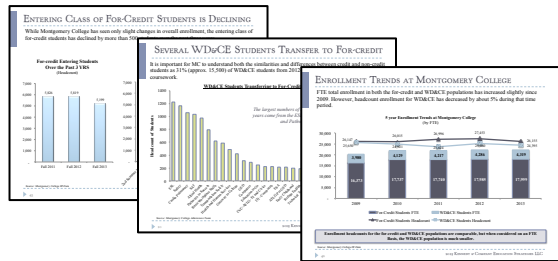
Enrollment Trends:

- FTE total enrollment in both For-credit and WD&CE has increased slightly over the past 5 years
- Headcount enrollment for For-credit students has decreased ~2% over that time period
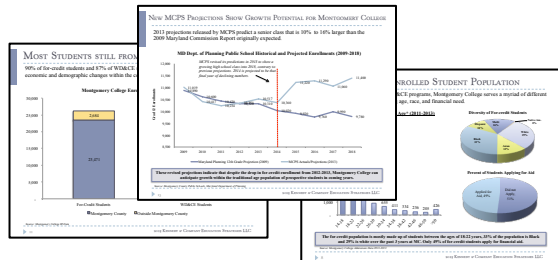
Demographics:

- 76% of For-credit students are 24 or younger compared to 35% of WD&CE students
- Almost 90% of students are from within Montgomery County
- 2013 MCPS predictions show a 2016 senior class that is 10% to 16% larger than originally expected
- Census data suggests that Black and Hispanic populations are growing at the fastest rates within Montgomery County
- FARMS data suggests increasing financial need in the County
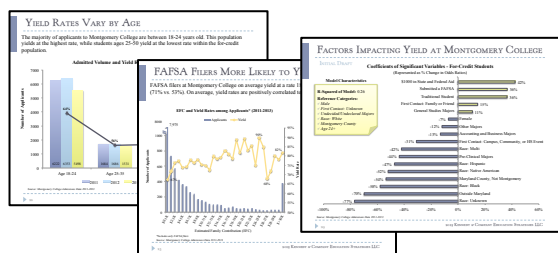
Drivers of Student Behavior:

- 3- year average yield rates for White and Asian students hover around 70% while Black, Hispanic, and Multi-race students yield at rates between 53-64%
- The best predictor of enrollment is whether or not a student submitted a FAFSA and/or received financial aid

When segmenting the enrolled population by age, race and financial need, we see that 46% of the students at MC over the past three years have been traditional-aged students who submitted a FAFSA.

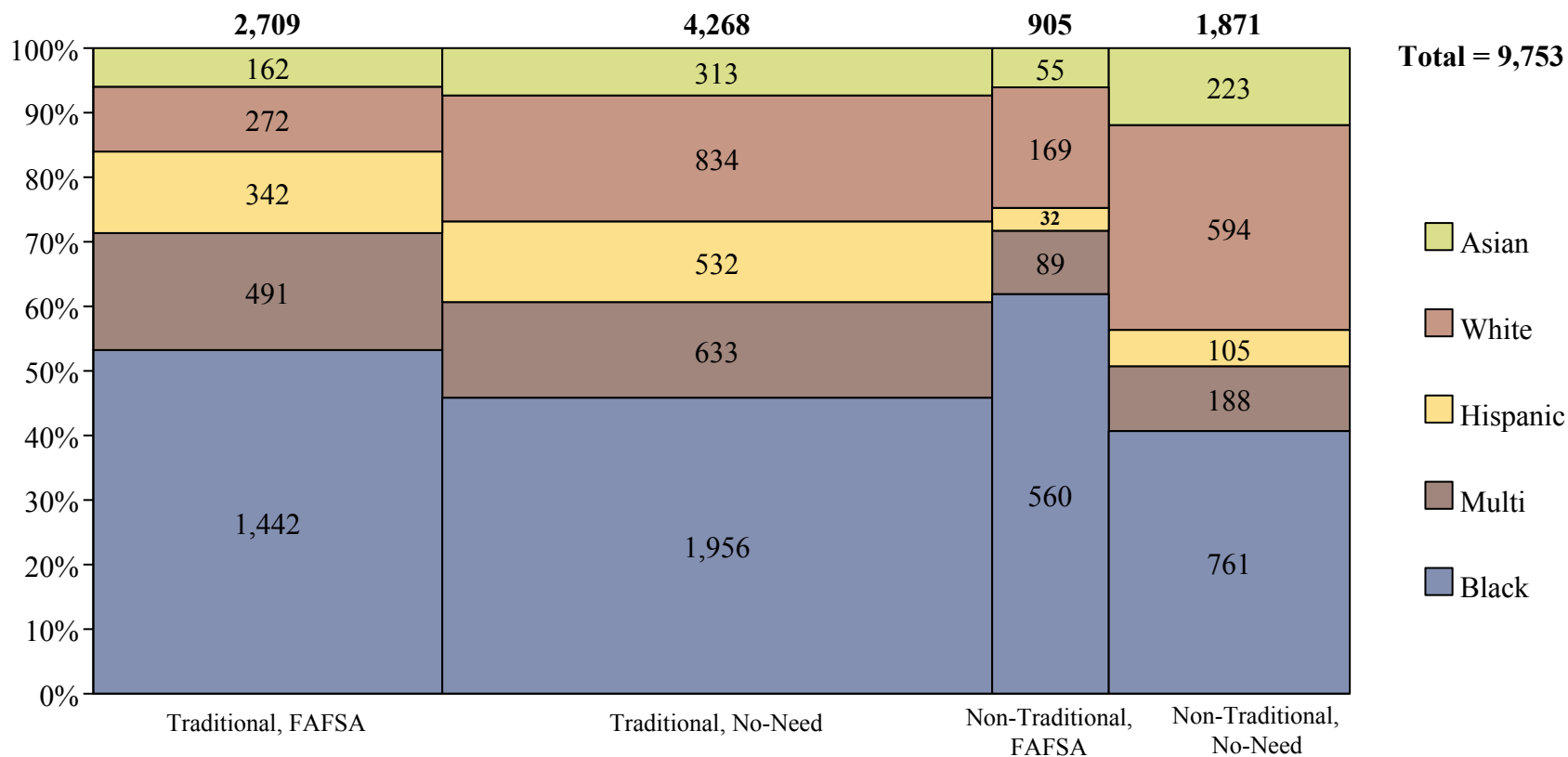**For-Credit Students, Enrolled 2011-2013**
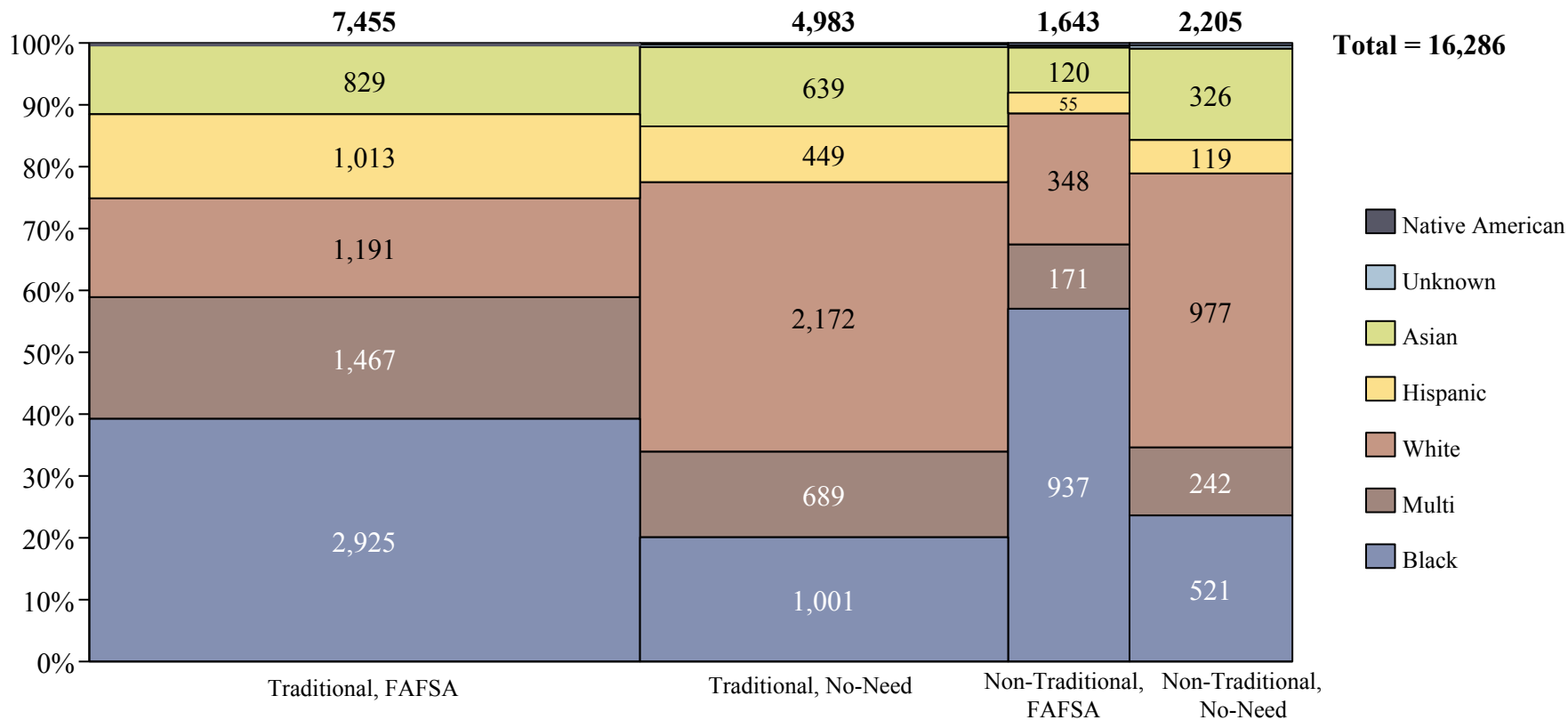
This wide range of student types makes it difficult and impractical for Montgomery College to have a singular message and identity when speaking to all segments of prospective students.

Conversely, when looking at the population of students that are admitted but choose not to enroll at MC, those not eligible for (or who do not receive) Financial Aid are the majority.

For-Credit Students, Admitted but did not Enroll 2011-2013

Total = 9,753

Legend:
- Asian
- White
- Hispanic
- Multi
- Black

Categories (x-axis): Traditional, FAFSA — Traditional, No-Need — Non-Traditional, FAFSA — Non-Traditional, No-Need

Column totals: 2,709 | 4,268 | 905 | 1,871

Data values:
- Traditional, FAFSA: Asian 162, White 272, Hispanic 342, Multi 491, Black 1,442
- Traditional, No-Need: Asian 313, White 834, Hispanic 532, Multi 633, Black 1,956
- Non-Traditional, FAFSA: Asian 55, White 169, Hispanic 32, Multi 89, Black 560
- Non-Traditional, No-Need: Asian 223, White 594, Hispanic 105, Multi 188, Black 761

Knowing the various types of students that are attracted to Montgomery College and how each of these populations reacts will help the institution tailor its marketing accordingly.

DEFINING MC's STUDENT SEGMENTS

Montgomery College has the opportunity to be more effective with its marketing by segmenting these various populations of students and targeting its messaging accordingly.
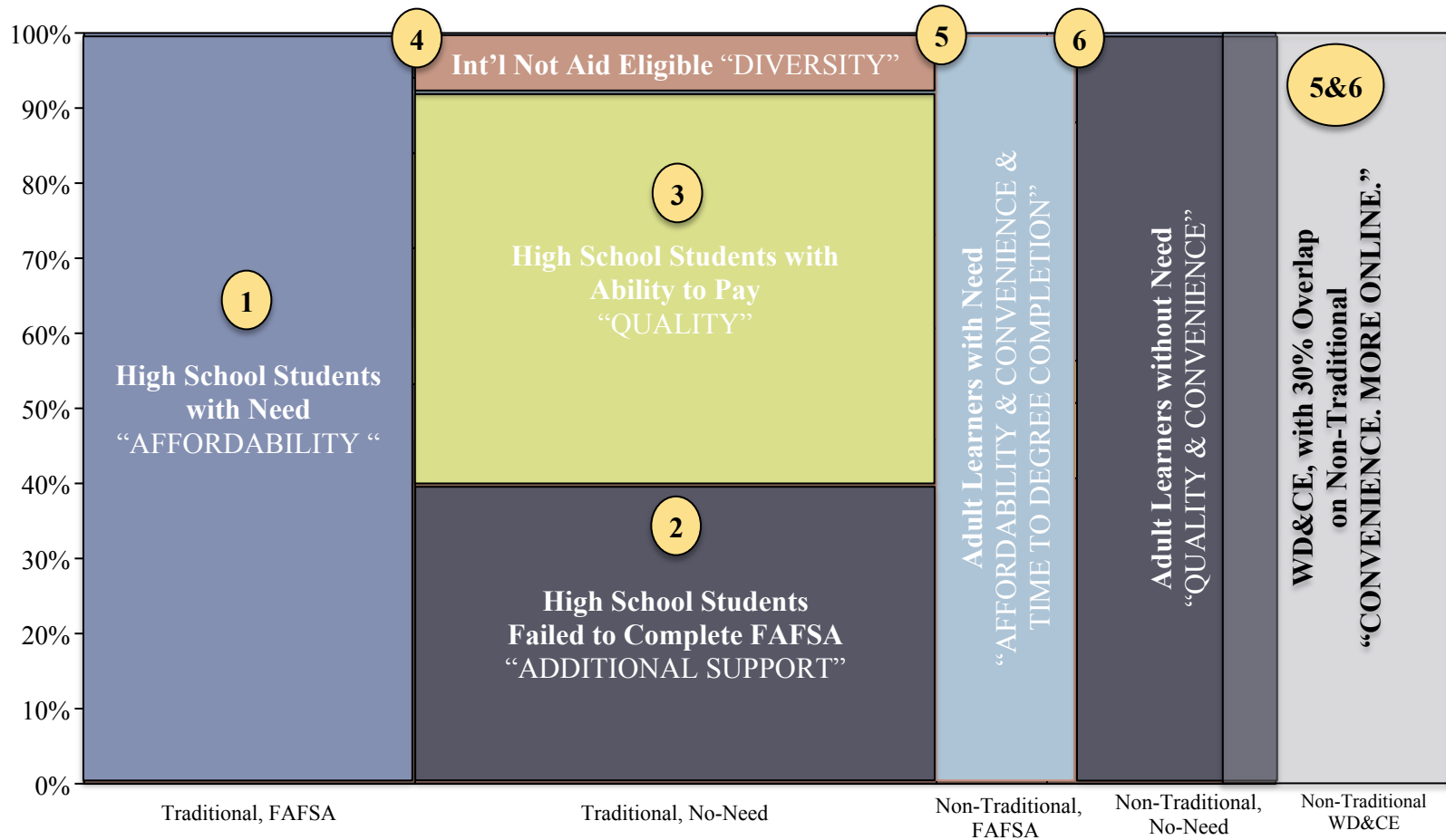
A Segmented Approach to Marketing

MC can attract more students by segmenting marketing messages to reach each population through the channel(s) that will most resonate with their lifestyle.

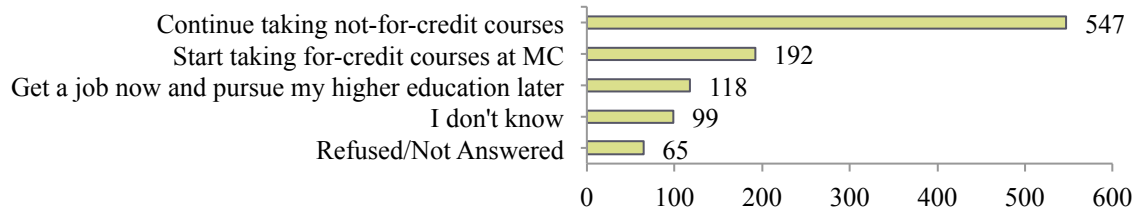| Description of Segment	Segment Characteristics	Messaging	Channels
1 HIGH SCHOOL STUDENTS WITH NEED	▪ Has need ▪ Filed the FAFSA ▪ <24 years old ▪ Likely coming from an MCPS High School	▪ Affordability ▪ Advising on financial aid and scholarship option ▪ Quality	▪ CCICs at MCPS ▪ College Fairs ▪ MC Website ▪ Social Media ▪ SEO & Paid Search
2 HIGH SCHOOL STUDENTS FAILED TO COMPLETE FAFSA	▪ Has need ▪ Did not submit FAFSA ▪ <24 years old ▪ Likely needs additional support navigating processes	▪ Benefits of completing the FAFSA ▪ Tout the % of students receiving financial aid ▪ Help is available at MC	▪ CCICs at MCPS ▪ FAFSA Workshops ▪ College Fairs ▪ Social Media ▪ MC Website ▪ SEO & Paid Search
3 HIGH SCHOOL STUDENTS WITH ABILITY TO PAY	▪ <24 years old ▪ Little to no need ▪ Likely applying to four-year institutions	▪ Stress the quality of MC ▪ Clear well-paved pathways to four-year institutions ▪ Student success stories	▪ CCICs at MCPS ▪ Outreach from MC faculty ▪ Outreach from student ambassadors ▪ MC Website ▪ SEO & Paid Search
4 INTERNATIONAL NOT AID ELIGIBLE	▪ <24 years old ▪ Not eligible for federal aid ▪ High chance of first generation college-goer	▪ Rationale for attending college ▪ Stress the diversity of the MC community ▪ Help is available at MC	▪ ESL Programs ▪ Community Cultural Events ▪ MC Website ▪ SEO & Paid Search
5 ADULT LEARNERS WITH NEED	▪ >24 years old ▪ May have some college, no degree ▪ Filed the FAFSA ▪ Likely eligible for federal aid	▪ Affordability ▪ Convenience ▪ Time to degree completion ▪ Help is available	▪ MC Website ▪ Social Media ▪ Within WD&CE Programs ▪ General Broadcast ▪ SEO & Paid Search
6 ADULT LEARNERS WITHOUT NEED	▪ >24 years old ▪ Did not apply for FAFSA or may not be eligible for financial aid ▪ Seeking education or a degree ▪ Looking for Credit and Non-Credit	▪ Convenience (Online) ▪ Quality ▪ Breadth of program offerings ▪ Professional development and training	▪ MC Website ▪ Social Media ▪ General Broadcast ▪ WD&CE Catalog ▪ SEO & Paid Search

A full description of messaging and tactics is available for all segments in the appendix.

OUTREACH TO NON-TRADITIONAL STUDENTS

Because of the broad range of needs non-traditional students have, MC should pay particular attention to the way they message to this population, ensuring the promotion of both WD&CE and For-Credit offerings *at the same time*.

**Survey data indicate that long-term educational goals differ among for-credit and not-for-credit students:**

Not-for-Credit Students: Long-Term Higher Educational Plans

Continue taking not-for-credit courses	547
Start taking for-credit courses at MC	192
Get a job now and pursue my higher education later	118
I don't know	99
Refused/Not Answered	65

(Axis: 0, 100, 200, 300, 400, 500, 600)

Non-Traditional For-Credit Students: Long Term Higher Educational Plans

Transfer to a four-year institution after earning my	1021
Earn my Associate's degree and then get a job	474
Transfer to a four-year institution as soon as possible	420
I don't know	257
Get a job now and pursue my higher education later	212
Refused/Not Answered	155

(Axis: 0, 200, 400, 600, 800, 1000, 1200)

Common responses among non-traditional students when asked what MC could do to help them meet their educational goals include:

- ✓ Offer more classes and course sections
- ✓ Offer more evening and weekend courses
- ✓ Offer more online availability of courses
- ✓ Offer more/better advising services
- ✓ Improve communication efforts
- ✓ Lower tuition
- ✓ Offer more opportunity for financial aid
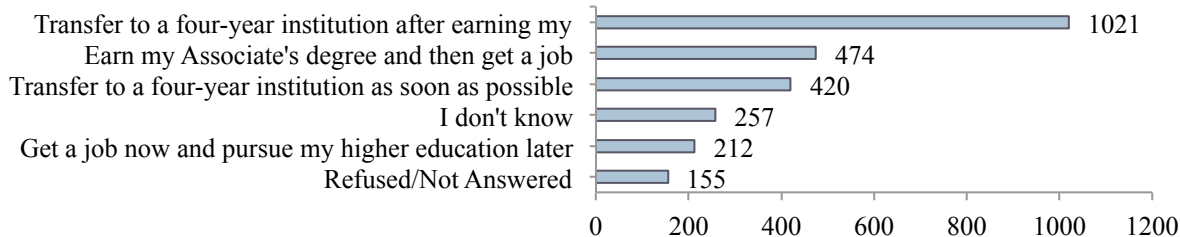
Montgomery College should utilize this data and knowledge of their students to tailor their messaging in a way that will most resonate with the non-traditional population.

Another way to improve overall outreach and tuition revenue for MC is to continue building awareness among WD&CE students of the benefits of enrolling in for-credit programs.

WD&CE Students Transferring to For-Credit 2012 and 2013
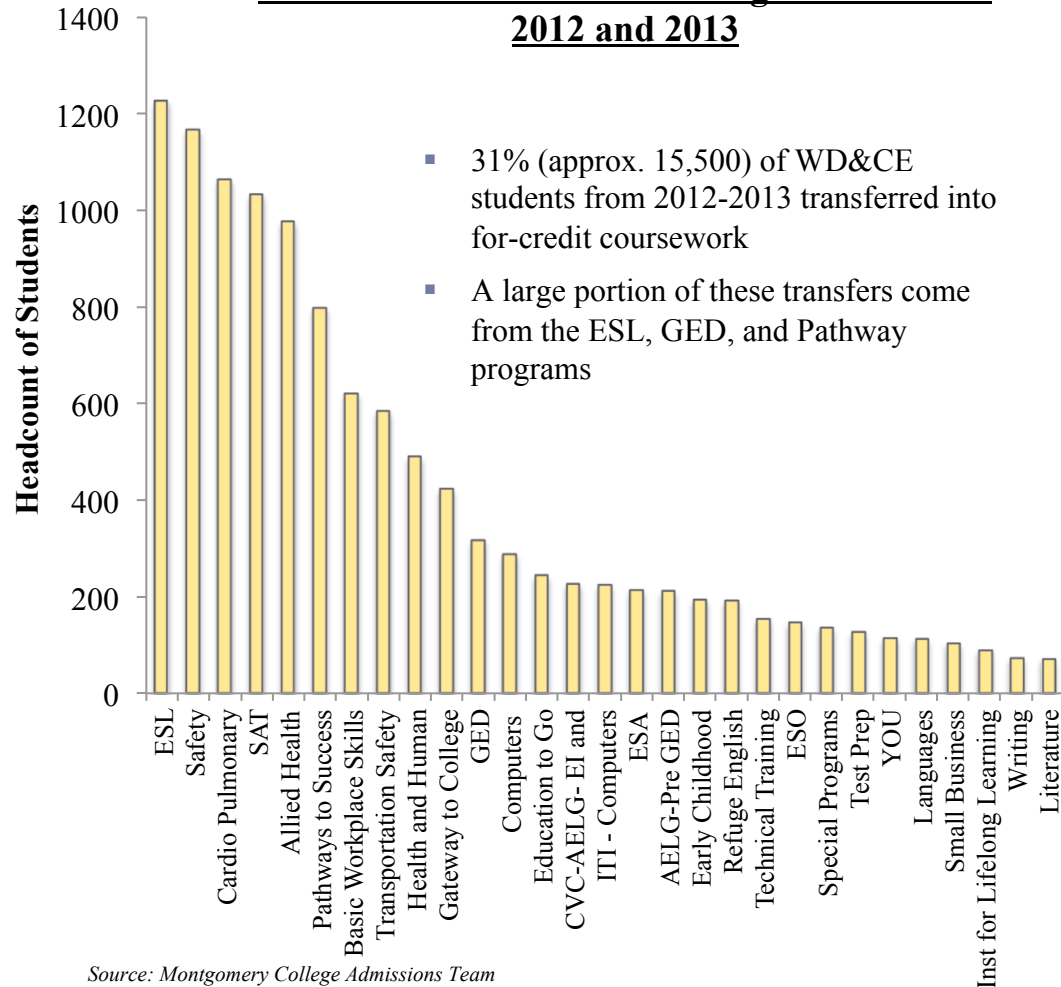
- 31% (approx. 15,500) of WD&CE students from 2012-2013 transferred into for-credit coursework

- A large portion of these transfers come from the ESL, GED, and Pathway programs

Source: Montgomery College Admissions Team

Steps to Increasing Awareness/ Conversion Rates of WD&CE Students:

- Implement an integrated marketing and communications plan for WD&CE that focuses on year-long promotion and brand-building of for-credit offerings

- Implement a "one-catalog" approach for non-traditional students

- Provide additional advising to students enrolled in college-prep, ESL, or pathway programs

- Build additional partnerships with employers of WD&CE students to raise awareness about affordability and program offerings

COORDINATING MARKETING EFFORTS ACROSS THE ORGANIZATION

In an effort to be more strategic, efficient, and effective with its marketing efforts, Montgomery College should consolidate resources into one seamless marketing organization.

Current State:

- Montgomery College has integrated marketing for credit and non-credit programs within its Office of Advancement & Community Engagement

- WD&CE has a separate marketing staff and budget but lacks a formal long-term plan on how to use resources in conjunction with for-credit programs.

Benefits of having One Seamless Marketing Organization:

- Consolidates all marketing staff and resources into one office

- Allows for integrated marketing, goal-setting, and strategic planning

- Consolidates all marketing budgets together to increase buying power

- Reduces the risk of having overlap in audiences of various marketing messages

- Eliminates the risk of cannibalization of program offerings

- Helps MC to take advantage of economies of scale within marketing and communications

- Offers a better return on MC's limited marketing budget

At the minimum, various marketing groups at MC must improve coordination and communication.

While consolidating efforts across the institution can help improve ROI on marketing dollars, additional resources will be needed to market all programs effectively.

2 Improve Yield, Reduce Melt

RECOMMENDATIONS ON IMPROVING YIELD & REDUCING MELT

Montgomery College can reach more students, increase yield, and drive retention by simplifying the financial aid and scholarship processes and related student services functions.

Financial Aid and Scholarship Process Recommendations:

- Move up the **timing of communications** about financial aid to November-February to give students a more complete picture of their likely package as early as possible, especially vis-à-vis competitors.

- **Streamline and consolidate the application process for scholarships** to make it more user-friendly and to allow for more students to apply for a broader range of scholarships.

- Implement **consistent deadlines** (or create "priority deadlines") for scholarships across the institution to simplify the process for applicants and increase applications for competitive awards.

- Transition to a **data-based matching process for scholarships** that best leverages MC financial resources, makes full use of federal and state grants, and maximizes likely yield, while minimizing unmet need.

Student Services Recommendations:

- **Expand the availability of advising** throughout the enrollment process to decrease the number of admitted students who "melt away" – those who wanted to attend but dropped out during the registration process.

- Expand the **one-stop-shop** model for interacting with students throughout the enrollment cycle in an effort to alleviate bottlenecks, improve capacity, and more efficiently manage prospective students and their questions.

Our analysis shows that students who submit a FAFSA and those who receive financial aid are much more likely to yield than those who do not.

Coefficients of Significant Variables - For-Credit Students
(Represented as % Change in Odds Ratios)

Model Characteristics

R-Squared of Model: 0.24

Reference Categories:
- ✓ *Male*
- ✓ *First Contact: Unknown*
- ✓ *Undecided/Undeclared Majors*
- ✓ *Race: White*
- ✓ *Montgomery County*
- ✓ *Age 24+*

Variable	% Change
Traditional Student	43%
$1000 in State and Federal Aid	40%
FAFSA Filer	32%
General Studies Majors	17%
Arts & Sciences Majors	9%
First Contact: Friend or Family Member	3%
Female	-4%
Race: Asian	-5%
Pre-Clinical Majors	-6%
First Contact: Web Contact	-13%
Accounting and Business Majors	-15%
First Contact: Direct Mailing	-18%
First Contact: Campus, Community, or High School Event	-34%
Race: Multi	-42%
Other Majors	-42%
Race: Hispanic	-45%
Maryland County, Not Montgomery	-52%
Race: Black	-55%
Race: Native American	-57%
Outside Maryland	-69%
Race: Unknown	-75%

Source: Montgomery College Admissions Data 2011-2012

Yield for No-Need Students Dips Among Black, Hispanic, Multi-Race Students

Other evidence suggests that Black, Hispanic, and multi-race prospective students with no financial need may have need, but fail to complete the FAFSA application.

For-Credit Students, Enrolled 2011-2013
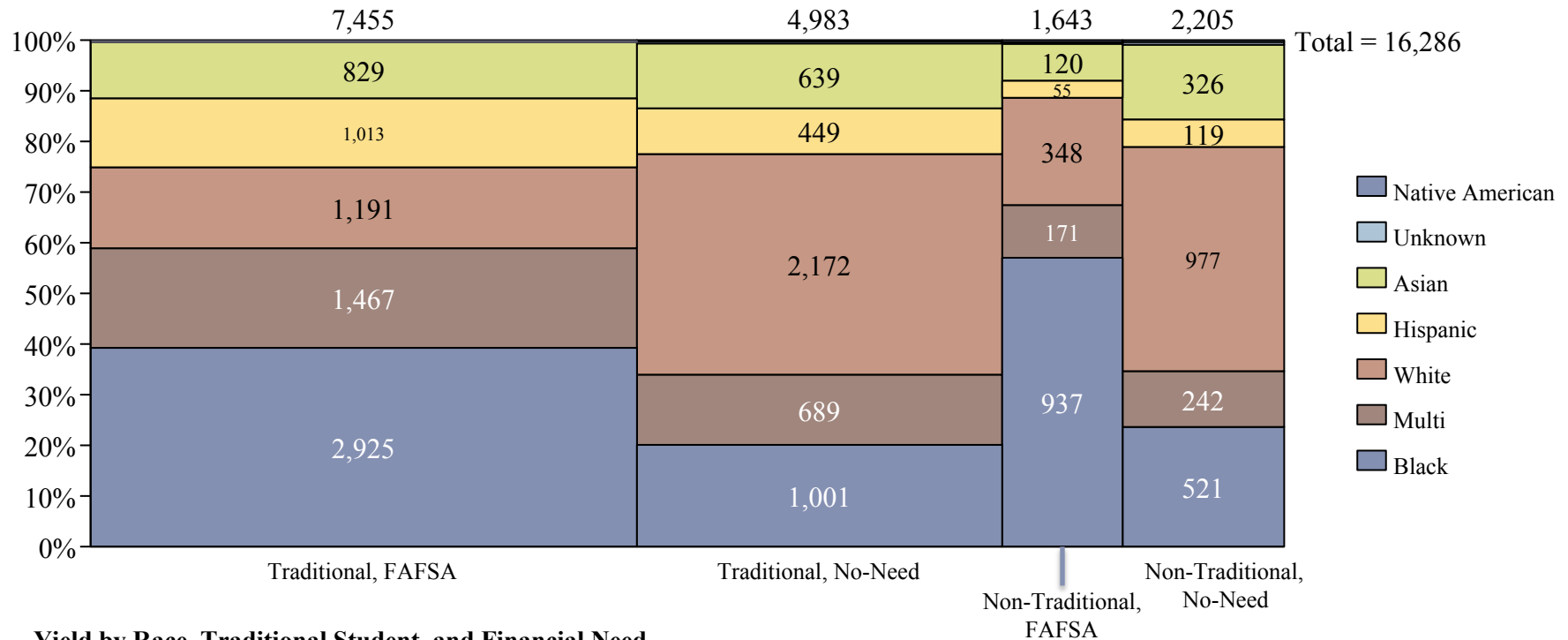
Yield by Race, Traditional Student, and Financial Need

	Traditional, FAFSA	Traditional, No-Need	Non-Traditional, FAFSA	Non-Traditional, No-Need
White	83%	72%	69%	63%
Multi	75%	55%	67%	56%
Hispanic	76%	48%	66%	53%
Black	69%	38%	62%	41%
Asian	84%	70%	67%	62%

Source: Montgomery College Admissions Data 2011-2013

PREPARING FOR A CHANGING POPULATION

Montgomery County is expected to grow, becoming more diverse and less affluent, on average, starting as early as Fall 2015.

Growing MCPS Population

MD Dept. of Planning Public School Historical and Projected Enrollments (2009-2018)

Legend:
- Maryland Planning Projection (2009)
- MCPS Actuals/Projections (2013)

Increasing Diversity

Diversity of Montgomery County by Age, 2010

Legend: ■ <18 Years □ >65 Years

Increasing Financial Need

% of MCPS Students on FARMS
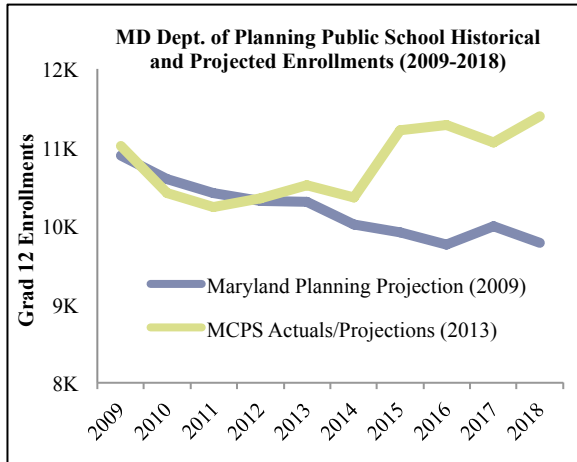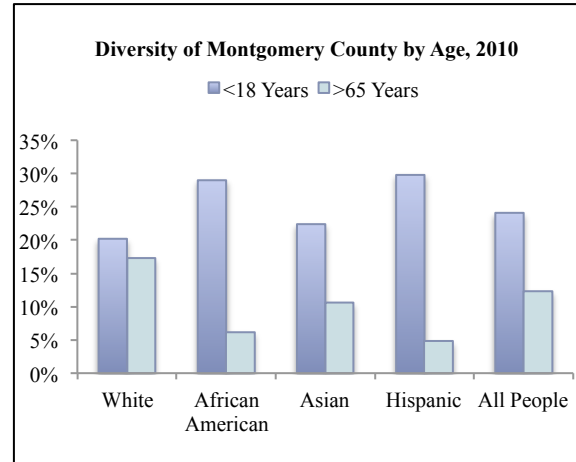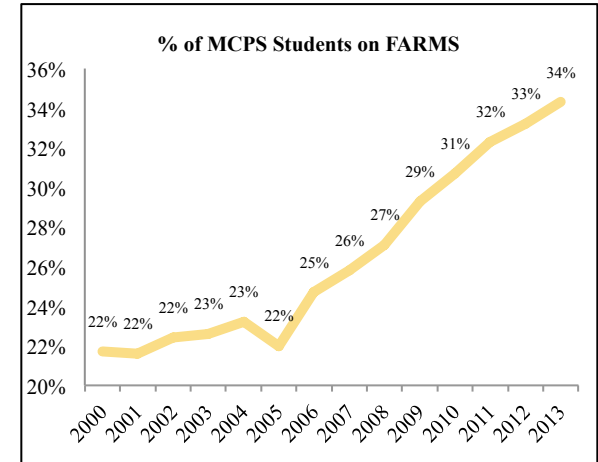
- The expected population of MCPS graduates will be 10-16% greater than original projections, pushing MC to:
  - o Maintain or grow the percentage of MCPS graduates that attend MC
  - o Invest in the staff and capacity needed to keep up with this influx of students

- Increasing diversity within Montgomery County will mean that the demographics of the student body will change

- Increasing financial need among county residents will create the need for additional need-based scholarship funds as well as additional coaching through the aid application process

Source: US Census Data 2010, Maryland Dept. of Planning 2013

Population that is Eligible for Financial Aid but does not Apply

Information gathered from MC, census data, MCPS, and interviews with MC administrators indicate a growing population of students that may be eligible for aid, but who do not apply.

Number of Traditional Students Applying for Aid
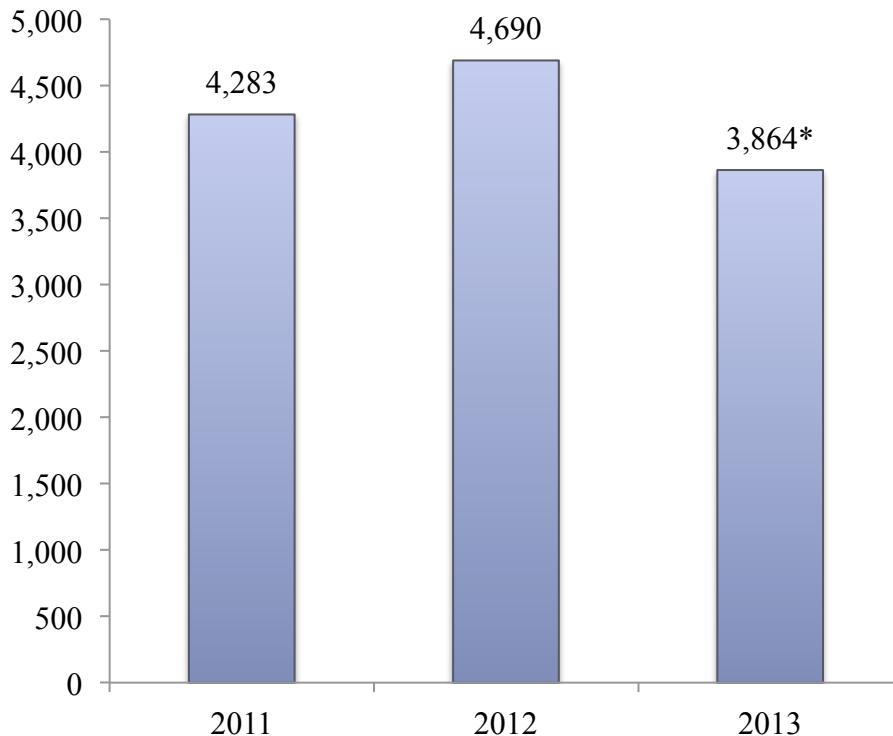
- FARMS data from Montgomery County indicate that the County is becoming more financially needy.

- Data from the past 3 years from MC Admissions and Financial Aid indicates that fewer students are applying for financial aid.

- Anecdotal data from interviews indicate that many students that do not submit a FAFSA start, but do not complete the process for applying.

Knowing that financial aid is the most significant driver of enrollment, Montgomery College has the opportunity to increase yield among this group of students by providing additional guidance on the financial aid process.

Source: Montgomery College Admissions Data 2011-2013

LEVERAGING THE SUCCESS OF ACES

The ACES program has shown initial success in helping students through the application and aid processes. MC should explore how this success can be expanded to benefit more applicants.

Key Components of the ACES Program

- ACES coaches offer a **singular point of contact** for the applicant as well as **individualized guidance** and reminders for application and registration deadlines

- ACES coaches start with a **financial aid and application workshop** in the high schools to raise awareness and educate students on the process

- ACES coaches also host follow-up workshops where they will **help students fill out forms** like the FAFSA on-site

- The ACES program has a **58.2% yield rate on participants** from the 2014 12th grade class, which received only 1 year of coaching (compared to 2 years as the program was designed)

- Currently, ACES serves approximately 120 students in each of the 10 participating high schools and MC is working to **expand the program** to 6 additional high schools

How can Montgomery College increase its "ACES-like" outreach in an affordable manner?

SUGGESTED PROCESS FOR MCPS HIGH SCHOOL STUDENTS

Based on what we know about student yield and the success of the ACES program, MC should shift the recruiting process to reach out to students early and often about aid and scholarships.

High School Junior Year Goals:

- Create an understanding of college affordability and financing options
- Introduce Montgomery College as a viable option; messaging based on segmentation: Affordability, Quality
- Advertise MC recruiting events such as info sessions, tours, and prospective student events
- Introduce a point of contact for each high school for student inquiries
- Follow specific high school-by-high school engagement plan

Achieved via ACES and increased activity with recruiters, financial aid, advisors, etc.

High School Senior Year Timeline:

Student applies to Montgomery College

Student submits FAFSA and applies for MC Scholarships

Student registers for classes

Student begins classes

| SEPT | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT |

Student meets with MC to understand process for applying for aid and individualized financing options including potential federal, state, and institutional aid outcomes

Student receives financial aid package and is notified of scholarships

To reach many students when they are making choices about college, MC needs to present a fully-packaged offer as soon as possible.

TIMING OF AID COMMUNICATIONS

One of the biggest components to this plan is shifting the timing of aid and scholarship communications to more closely align with student application and yield behavior.

Students that Applied for Aid

Yield is consistent for students with need; ensuring these students successfully complete the FAFSA is most critical.

Packaging for high school students has already moved up to April 15th.
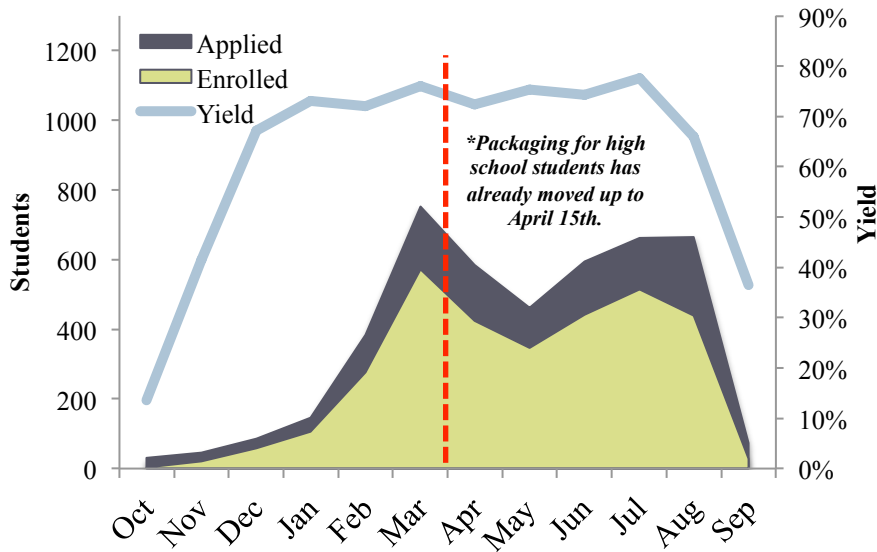
Students that Did Not Apply for Aid

Merit scholarships need to be presented around February for non-need students

Some of these students receive awards after registering for classes.
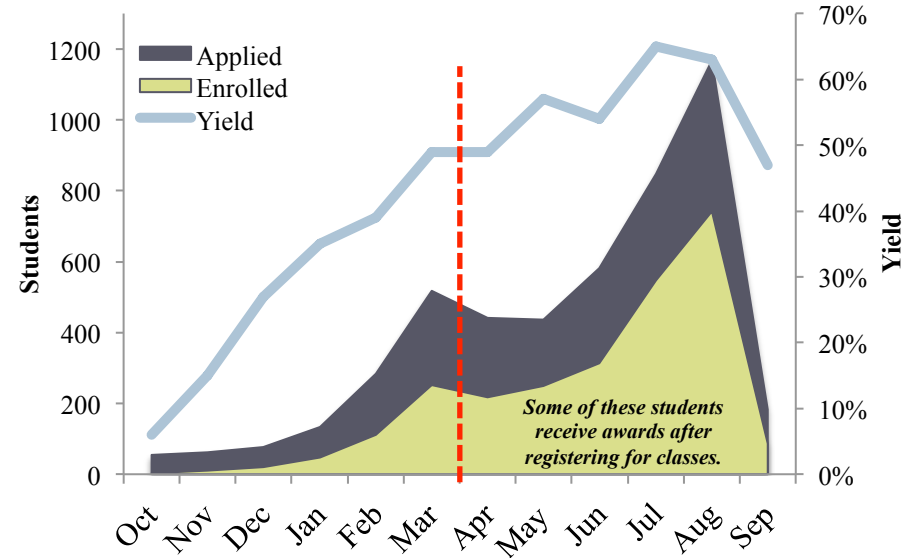
- Students who applied for financial aid yield at a rate ~20% higher than those students that do not apply for aid.
- Students who are seeking financial aid also apply and yield earlier in the application cycle (prior to April 1).
- Students who do not apply for aid yield at much higher rates later in the year.

Moving the timeline of financial aid communications up earlier in the process will help drive students to enroll and lead them on the path to registration earlier in the cycle.

Source: Montgomery College Admissions Data 2011-2012

Exploring Estimated Aid Packaging

MC also has the opportunity to use estimated aid packaging based on self-reported information from the student to provide a financial picture for the student early in the college search process.

Sample Merit Information Requested

- Senior Year Courses (if applicable)
- Grade Point Average
- Honors and Achievements
- Most Recent Test Scores

Sample Demographic Information Requested

- Ethnicity
- Age
- Address
- Parent Marital Status
- Number in Household

Sample Financial Information Requested

- Parent Earnings for the Calendar Year
- Student's Earnings for Calendar Year
- Special Employment or Tax Circumstances of Parents

Potential Benefits:

- ✓ More accurate than net price calculator
- ✓ Uses all academic and family financial data available to the student
- ✓ Provides the student with a picture of projected aid package earlier in the college search process
- ✓ Opens the dialogue between students and financial aid administration early in the process
- ✓ Organizes all financial resources available in one area as soon as possible for the prospective student

Potential Risks:

- ✓ Student's aid package may differ from earlier estimates
- ✓ Increased call volume related to students and families understanding estimation of packages
- ✓ Difficult to gain responses on parent's income

Moving to an estimated aid packaging process will produce extra work for financial aid staff in managing communications but we believe potential benefits on student yield outweigh this cost.

Montgomery College should streamline the current process for applying for institutional and scholarship dollars as it is currently complicated by many internal factors:

1) **MC offers hundreds of different scholarships to students**

   *In 2014 alone, MC awarded scholarships from approximately **295 different fund**s. The MC website lists at least 8 different named scholarships that students can apply for.*

2) **MC does not have a comprehensive landing page for all scholarship information online**

   While the College has a website that lists most available awards, in order to understand the details behind the award and the eligibility requirements, students must visit several pages, all of which look and feel different.

3) MC requires the student to fill out several different applications for scholarships

Students applying for MC scholarships currently have to fill out several forms, most of which have duplicate information. MC could simplify this by moving to one scholarship form with supplements as needed for specific awards.
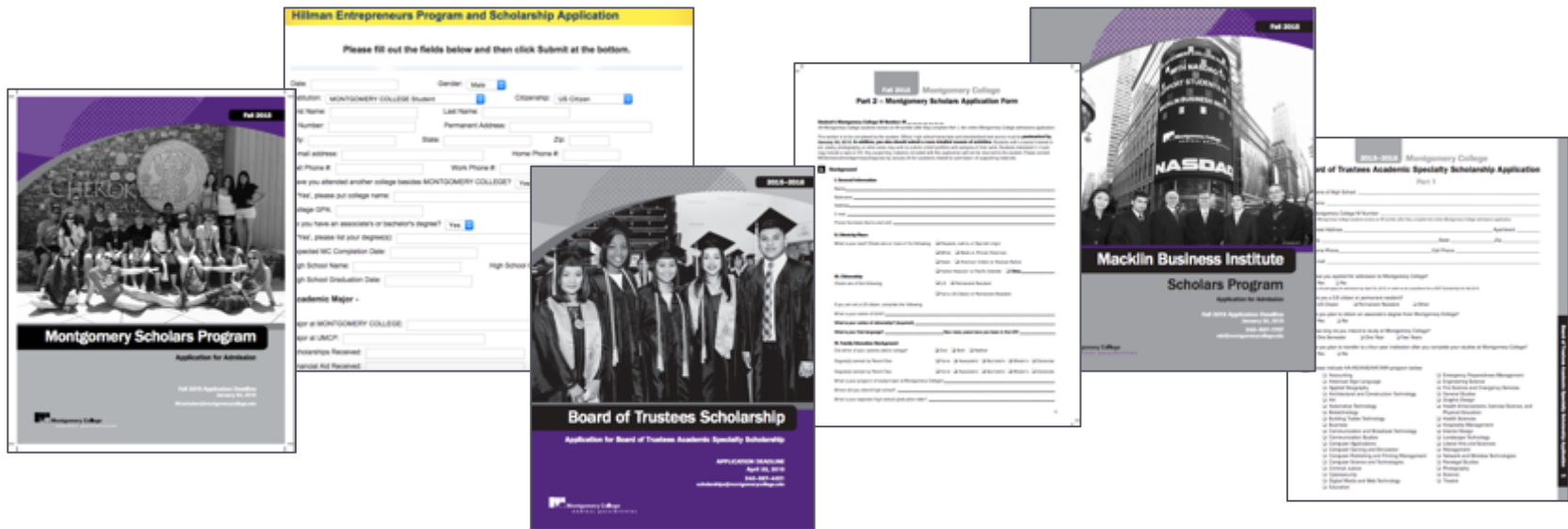
4) Students do not have a primary point of contact for scholarship or aid inquiries

One of the primary reasons ACES has been successful is that it matches a coach with a student for individualized attention. Currently, if a student reaches a roadblock when applying for scholarships, MC has no consistent point of contact for questions.

Suggested Scholarship Application Page

The process and interface for applying for scholarships at MC should also be streamlined to encourage more students to apply and to award students as early in the enrollment process as possible.

Online Steps for Applying to Scholarships

Montgomery College — Montgomery County, Maryland ▸ MyMC

Majors & Classes | Admissions | Cost & Financial Aid |

START HERE TO APPLY FOR ALL MC SCHOLARSHIPS:

Page 1 → *Collects Information relevant for nearly all scholarships (demographic and financial)*

Page 2 → **"Congratulations!"** *Based on Page 1 information, student is shown list of all the awards they may be eligible for. Student selects "Continue"*

Page 3 → *Student asked to submit additional essays, data pertaining to certain awards. Shown the list of awards they have already submitted for*

Page 4 → *Next steps and key dates shown to student*

Accompanying Administrative Steps:

- Once scholarship applications are submitted online, MC administration should route the scholarships to the designated departments needed to review

- Priority deadline for scholarships should be set for March 1 (same as FAFSA deadline)

- Scholarship recipients should be notified as soon as possible, ensuring the student has a complete picture of their financial aid package prior to registering for classes

MC already has a system in place – Academic Works – that could help implement this process, but it needs to cover all scholarships and deadlines need to be aligned.

IMPLEMENTING CONSISTENT SCHOLARSHIP DEADLINES

Further complicating this process is the lack of consistent deadlines for scholarships and financial aid at Montgomery College.

Fall Scholarship Deadlines for Montgomery College*

30-Jan: *Montgomery Scholars Application Deadline*

30-Apr: *Board of Trustees Scholarships Deadline*

15-May: *Priority Deadline for Fall Aid*

30-Jun: *Alumni Association Scholarship Deadline*

26-Aug: *Foundation Scholarships Fall Deadline*

30- Jan: *Macklin Business Institute Application Deadline*

1-Mar: *Deadline to file FAFSA for Maryland State Scholarships*

1-May: *Hillman Entrepreneurs Program Deadline*

7-Jun: *Foundation Scholarships Priority Deadline*

1-July: *Renaissance Scholars Priority Deadline*

Implementing one deadline (or priority deadlines) for all scholarships would simplify the process from both the perspective of the student and the administration at MC in terms of communication and processing.

* Scholarship deadlines approx. based on 2014-2015 information posted, Source: Montgomery College website

USING MORE DATA IN AID DECISIONS

With data from scholarship inquiries, financial aid surveys, and student applications, MC can better match scholarships and aid to positively impact yield.

Sources of Data

- Financial Aid Survey
- Application for Admission
- Scholarship Survey
- Accuplacer

Data Collected

- Estimated Family Contribution
- Interests
- GPA
- ACT/SAT Scores
- High School Attended
- Race
- 1st Generation College-goer

Suggested MC Scholarship & Aid Award Algorithm

Considers likely financial need

Considers propensity to enroll

Considers student's segment;
"is this affordable" vs. "is MC a quality choice"

Maximizes awarding of restricted dollars first
➢ Finds match based on student types, interests, etc.

Takes into account likely federal & state grants

A Consolidated Effort for Scholarship & Aid Awards

In order to make the best use of federal, state, and institutional dollars, MC should consolidate efforts to award scholarships and financial aid into one decision-making unit.

Suggested Approach to Awarding Aid

Ideal Timing: OCT – JAN

> **Collect Information on Student Financial Need**

The timing of the award process can be improved by collecting information on students' financial situations earlier in the process.

By adding a few simple questions to the admissions application, MC can get the information they need to begin packaging students from the moment they apply.

Ideal Timing: JAN – MAR

> **Strategically Match Aid Awards based on Student Eligibility**

1. **Federal & State Need**
2. **Outside Scholarships**
3. **Restricted Merit Funds**
4. **Unrestricted Merit & Unrestricted Need**

Ideal Timing: APR – MAY

> **Coordinate Final Financial Package for Student**

The final coordination of award packaging should be administered by a single office or unit in order to ensure the most strategic use of funds available.

This method will help to make the best use of federal dollars and restricted funds available at Montgomery College.

OVERALL GOALS FOR NEW SCHOLARSHIP & AID AWARDING

- Institute early communication on affordability and pre-packaging of aid

- Increase the number of successful FAFSA filers

- Consolidate all scholarship awarding efforts into a single unit

- Make merit awards in February/March, not June

- Implement data-driven award process for merit and need-based awards

- Increase the efficiency, and capacity of recruiters, financial aid officers, and counselors; we need to communicate with more students more often.

- Prepare for larger, needier, and more diverse 2016 and 2017 classes

Advising Bottleneck May Contribute to Revenue Loss

The cyclical nature of demand for advising appointments contributes to bottlenecks in the enrollment process and curtails students' ability to enroll.

Student Demand for Advising
(Illustrative)
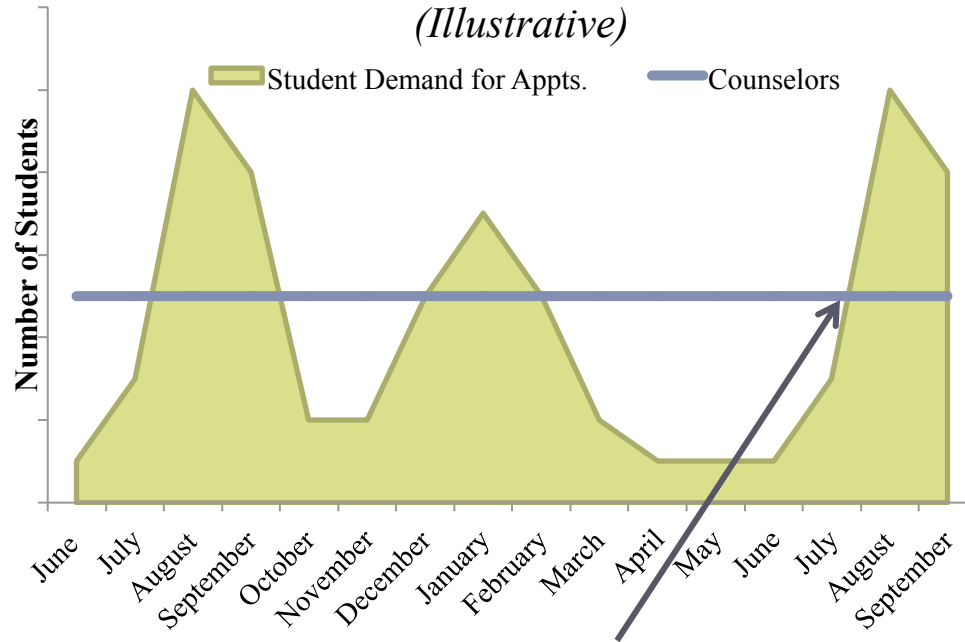
In 2014, nearly 700 students took the Accuplacer in July/August (a good proxy for intent to matriculate) and then failed to register for Fall or Spring classes. This represented roughly 18% of July/ August Accuplacer testers.

The Magnitude of the Issue

Kennedy & Company estimates enrollment bottlenecks impact at least **50-100** students who do not make it through to registration each year.

	Number of Students that do NOT Enroll	**50-100**
X	Avg. Tuition Revenue per Student Fall + Spring (2013-14)	**$2,800**
=	Tuition Revenue	$140 – 280K
X	2 Years of Enrollment	
=	**Total Tuition Revenue**	**$280- 560K**

Numbers approximate due to rounding

Enrollment bottlenecks have the potential to cause Montgomery College to lose $560,000 or more in tuition revenue.

SUGGESTED IMPROVEMENTS TO THE ENROLLMENT PROCESS

Student surveys, focus groups, and interviews with MC personnel identified obstacles students face during the registration and enrollment processes. There are several steps Montgomery College can take to overcome these obstacles and improve student services.

CREATE A PERSONALIZED CHECKLIST
for students who have been admitted that is accessible online

Provide admitted students with the information they need to understand the enrollment process online and a clear path forward to help coach students through the necessary steps to register.

CROSS-TRAIN STUDENT-ORIENTED STAFF
to answer even more of the most common financial aid and advising questions

Empower recruiters and others to answer questions and provide additional insight into possible outcomes for financial aid and advising.

ASSIGN RECRUITERS
to high schools in a way that makes it easy for students to find their representative

Ensure that prospective students are aware of the specific recruiting resource assigned to them or their high school to offer a sense of consistency from inquiry through application and registration for classes.

AUGMENT RECRUITING STAFF
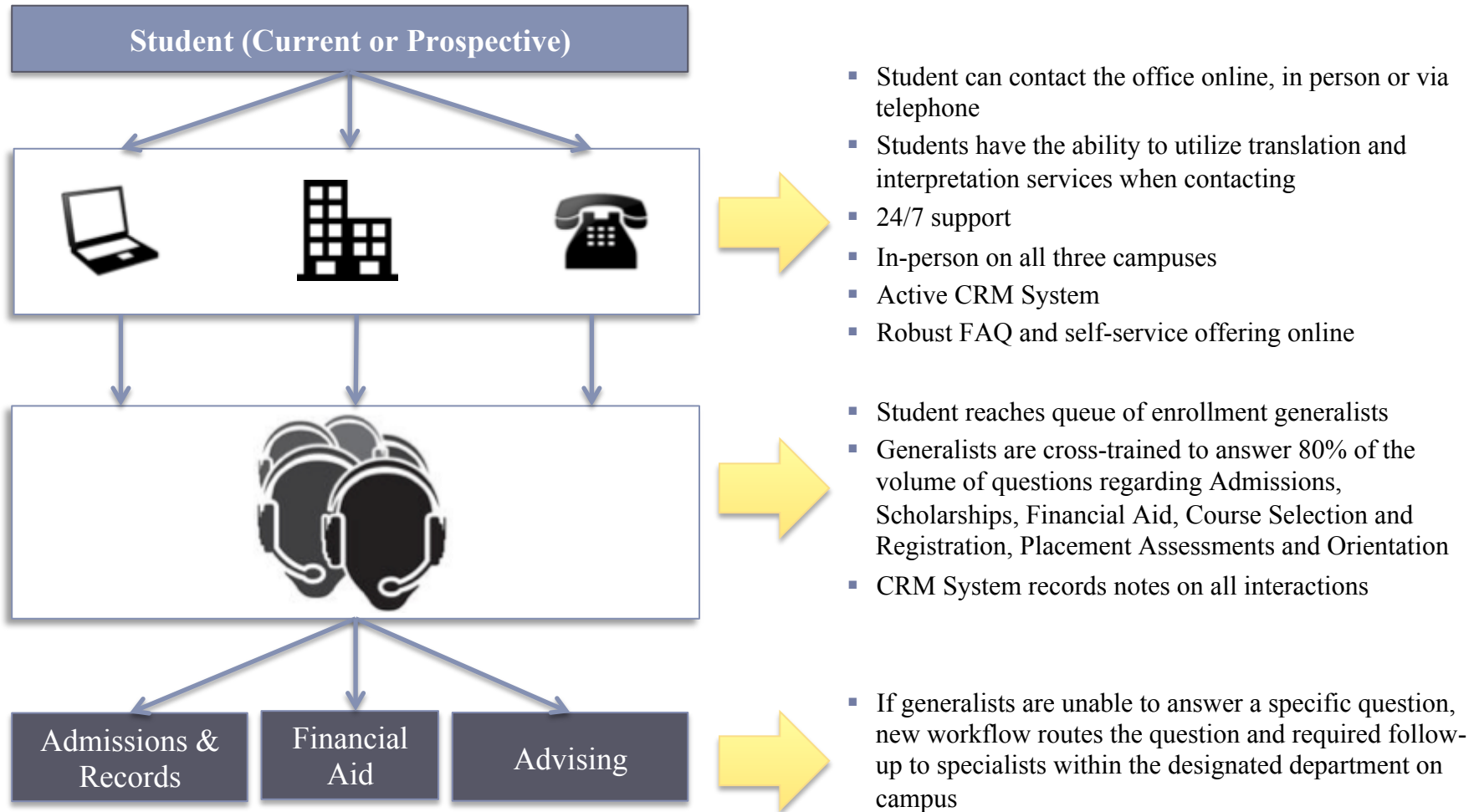*with additional student resources such as student ambassadors*

Use students to help filter basic inquiry and recruiting questions to help lighten the load of the recruiting staff and allow them to spend their attention on more in-depth cases.

All of these solutions require Montgomery College to optimize the time and capacity of recruiters, financial aid staff, welcome center employees, and advisors.

EXPAND ONE-STOP SHOP FOR ENROLLMENT

In the longer term, MC should develop a *more* integrated one-stop shop for students and families to receive answers to all financial aid, scholarship, enrollment, and registration questions.

Montgomery College One-Stop Process

Student (Current or Prospective)

- Student can contact the office online, in person or via telephone
- Students have the ability to utilize translation and interpretation services when contacting
- 24/7 support
- In-person on all three campuses
- Active CRM System
- Robust FAQ and self-service offering online

- Student reaches queue of enrollment generalists
- Generalists are cross-trained to answer 80% of the volume of questions regarding Admissions, Scholarships, Financial Aid, Course Selection and Registration, Placement Assessments and Orientation
- CRM System records notes on all interactions

Admissions & Records | **Financial Aid** | **Advising**

- If generalists are unable to answer a specific question, new workflow routes the question and required follow-up to specialists within the designated department on campus
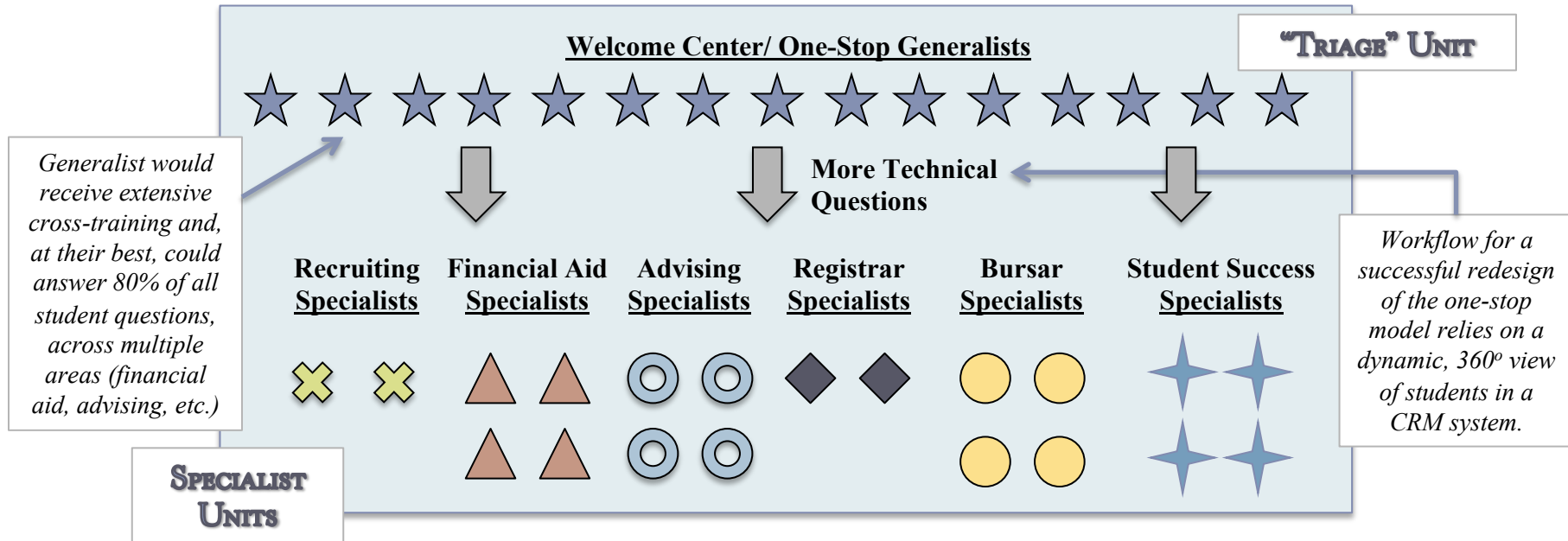
A (Preliminary) Vision for a Revised One-Stop Model

Expansion of the one-stop model for Montgomery College would include a number of organizational changes to help staff it appropriately.

Example of Staffing Model for One-Stop Shop:

Generalist would receive extensive cross-training and, at their best, could answer 80% of all student questions, across multiple areas (financial aid, advising, etc.)

Welcome Center/ One-Stop Generalists

"Triage" Unit

More Technical Questions

Workflow for a successful redesign of the one-stop model relies on a dynamic, 360° view of students in a CRM system.

Recruiting Specialists **Financial Aid Specialists** **Advising Specialists** **Registrar Specialists** **Bursar Specialists** **Student Success Specialists**

Specialist Units

- Some specialist staff could split time between current duties (such as high school visits for recruiters) and new one-stop generalist duties. (This would also require role redefinition and position reclassifications in some cases).

- In addition to receiving requests, one-stop staff will also be proactively calling new and returning students going through the registration process.

- This model may require MC to hire additional staff (possibly some temporary staff and/or student workers), especially for after-hours service.

- Generalists would also be available after normal business by phone or online chat.

Implementation of this model would create additional capacity and increase and improve student service and retention, but would require significant time to plan, design, and put into effect.

Benefits of a Revised One-Stop Model

The suggested one-stop shop model for Montgomery College will enable the institution to streamline many of the services currently being offered through several different offices into one comprehensive department.

For Students

- Eliminates the need for students to know "who to contact?" by allowing for one email address, one phone number (e.g. the 5000 line), and one website

- Helps move students through the process more quickly

- Reduces the number of people and departments students must contact to find a resolution to their problem or concern

For Staff Members

- Helps alleviate cyclical demand experienced in several offices across campus

- Eliminates the need for temporary and seasonal staffing

- Decreases call volume and work within several offices across campus

- Frees up time to focus on more strategic efforts at the institution

For Montgomery College Overall

- Enables MC to make use of a comprehensive CRM system and collect and file more data on students to identify common issues, questions, and concerns

- When paired with suggested priority deadlines, helps students to register earlier in the calendar year and reduces the need for holds and bottlenecks in the process

- Creates positive impact on enrollment and retention efforts

> **The suggested one-stop model solidly shifts the responsibility from the student to the staff of Montgomery College in terms of navigating the internal enrollment and registration process.**

3   **Increase Course Consumption**

INCREASING COURSE CONSUMPTION & TUITION RESTRUCTURING

Kennedy & Company was also asked to explore various options for tuition restructuring at Montgomery College and how they would impact pricing and course consumption.

Survey of Montgomery College Students:

Kennedy & Company surveyed the entire Montgomery College student population in order to better understand their educational goals and potential reactions to various tuition scenarios.

- Deployed February 12, 2015 and was re-dropped via email 3 times to students
- Data collection ceased on March 5, 2015
- Total of 14 questions with some variations based on relevance of questions to particular audiences

Survey Statistics:

Student Type	Sent To	Completions	Rate
Non Traditional – Credit Students	9,477	2,366	24.97%
Traditional – Credit Students	17,300	3,765	21.76%
Non Credit Students	9,421	928	9.85%
Overall	**36,198**	**7,059**	**19.50%**

OFFERING A NEW TUITION INCENTIVE

The student survey tested 6 different tuition structures in order to gather data on student reactions and potential changes in behavior. (Tuition structures were tested first in focus groups.)
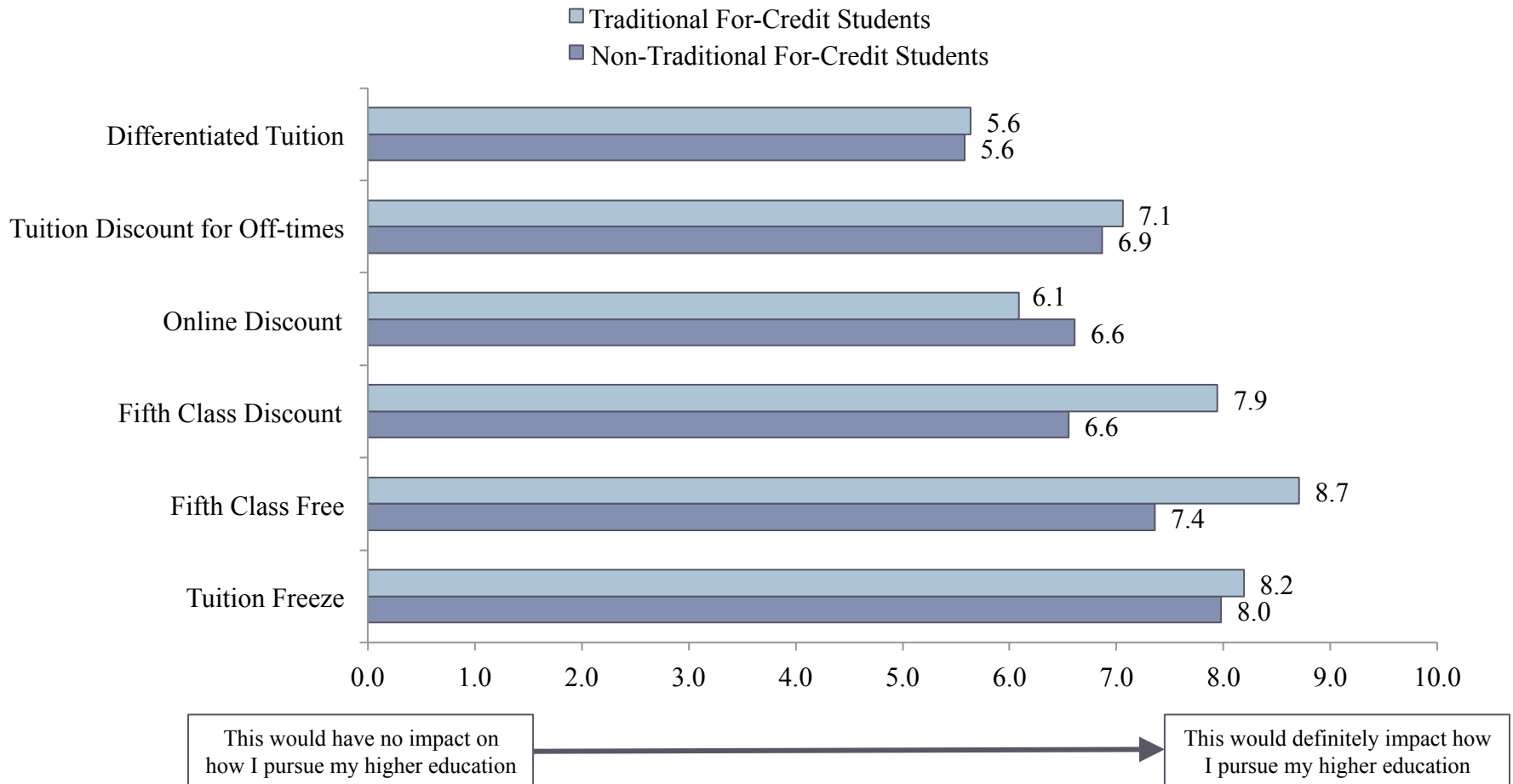
Tuition Structures Tested:

1 Differentiated Tuition – offering a 10% tuition discount on less in-demand majors

2 Tuition Discount for Off-times – offering a 10% discount on courses taken at less popular times (e.g. early mornings and weekends)

3 Online Discount –offering a 10% discount for courses taken online

4 Fifth Class Discount – offering a 50% discount for any credit hours taken above 12 credit hours in a given term

5 Fifth Class Free – offering 100% discount for any credit hours taken above 12 credit hours in a given term

6 Tuition Freeze –guaranteeing that the per-credit hour tuition would never increase as long as the student stays continuously enrolled at Montgomery College during the spring and fall semesters

These models all had varying degrees of popularity and viability at Montgomery College.

Survey Reactions to Tuition Structures

Students were asked to react to each of the tuition structures tested on a 0-10 scale based on how much each would impact their pursuit of higher education.

Average Ranking of Various Tuition Structures Among For-Credit Students

Legend:
- Traditional For-Credit Students
- Non-Traditional For-Credit Students

Tuition Structure	Traditional For-Credit Students	Non-Traditional For-Credit Students
Differentiated Tuition	5.6	5.6
Tuition Discount for Off-times	7.1	6.9
Online Discount	6.1	6.6
Fifth Class Discount	7.9	6.6
Fifth Class Free	8.7	7.4
Tuition Freeze	8.2	8.0

This would have no impact on how I pursue my higher education →→→ This would definitely impact how I pursue my higher education

SUMMARY ANALYSIS OF TUITION STRUCTURES TESTED

Each of the tuition structures tested have pros and cons for Montgomery College and would impact tuition revenue in different ways.

Name	**1** Differentiated Tuition	**2** Tuition Discount for Off-Times	**3** Online Discount	**4** Fifth Class 50% Discount	**5** Fifth Class Free	**6** Tuition Freeze
Survey Score Average	Traditional: 5.6 Non: 5.6	Traditional: 7.1 Non: 6.9	Traditional: 6.1 Non: 6.6	Traditional: 7.9 Non: 6.6	Traditional: 8.7 Non: 7.4	Traditional: 8.2 Non: 8.0
Estimated Impact on Revenue	$200-225K	($400-450K)	($200-225K)	$1-1.5M	($1-1.5M)	N/A
Analysis	*Differentiated tuition did not prove to be popular with traditional or non-traditional students*	*This model would likely create a large cost to gain a small change in behavior*	*MC should likely explore this option once more online courses are available at the College*	***This is the recommended option moving forward because of the potential for increased tuition revenue and increased retention benefits.***	*This option, while similar to #4, is not financially viable for MC at this time given how your students take classes.*	*This option could be used best as a marketing tool but is likely not worth it considering how rarely tuition has increased*

RECOMMENDATIONS FOR INCREASING COURSE CONSUMPTION

Montgomery College has the opportunity to change its pricing structure in a way that helps to increase course consumption, time to degree completion, and retention to ultimately improve tuition revenues.

- The College should move to a **new tuition structure** for for-credit students where after 4 courses (12 credit hours), all credit hours are offered at a 50% discount.

- The College should accompany this new tuition structure with an **internal educational campaign** on financial literacy and the benefit of progressing through to completion of MC as quickly as possible.

- MC should begin **expanding online program options** as a way to increase course consumption, grow enrollment, and improve completion rates.

Offering a New Tuition Incentive

Based on results of our research and analysis, Montgomery College should move forward with a new tuition scholarship incentive that offers students a 50% discount on all courses they take in excess of 12 credits per semester.

4 | Fifth Class Discount – offering a 50% discount for any credit hours taken above 12 credit hours

How it Works:

Assuming all courses are 3 credit hours at $180/ credit hour = $540 per course

Coursework	Total Price	New Rate per Course	New Total Price
If a student takes **1** course	$540	1 at $540	$540
If a student takes **2** courses	$1,080	2 at $540	$1,080
If a student takes **3** courses	$1,620	3 at $540	$1,620
If a student takes **4** courses	$2,160	4 at $540	$2,160
If a student takes **5** courses	$2,700	4 at $540, 1 at $270	$2,430
If a student takes **6** courses	$3,240	4 at $540, 2 at $270	$2,700

This recommended tuition structure is designed to monetarily incentivize students to increase course consumption and make faster progress toward their degree.

PREDICTING CHANGES IN STUDENT BEHAVIOR

Kennedy & Company used the results from the student survey to predict how the 50% discount on more than 12 credits tuition scenario would impact student behavior and tuition revenue.

Assumptions Made when Testing this Scenario:

- All courses are offered at a rate of $180 per credit hour
- Students taking fewer than 9 credits will not change their course consumption, to be conservative
- Students already taking more than 12 credit hours will continue to do so and receive the discount
- A student taking 12 or fewer credits now will not take more than 15 credits under new tuition scenario (e.g. a student would not go from taking 9 to taking 18 credits)
- Scenario tested against the Fall 2013 – Spring 2014 Terms

Analysis Steps:

- A regression analysis was run on survey respondents to determine the linear relationship between various student characteristics and a student's affinity for this particular tuition scenario. Factors in this analysis included:

  - Number of credits taken in Fall 2013 and Spring 2014
  - Student Age
  - Student Race
  - Federal Aid Received by Student

- The output of this regression was used to predict the likely survey responses for the entire 2013-14 enrolled for-credit population at Montgomery College
- These survey responses were then used to calculate the likelihood of each student taking advantage of the new pricing structure
- Net tuition revenue was recalculated based on predicted behavioral changes

REVENUE IMPACT – FIFTH CLASS 50% DISCOUNT

Our analysis indicates that while MC will lose some tuition revenue from students already taking 12+ credit hours, this tuition scenario predicts a net gain in tuition revenue.

Predicted Revenue Impact:

Credits 12+ Already Consumed in Fall…………...……….	($717,220)
Credits 12+ Already Consumed in Spring………. ……….	($619,020)
Total Revenue Loss………………………..……....	**($1,335,240)**

Students already taking more than 12 credit hours a term would benefit from this scenario with no calculated change in behavior, though some students could opt to take more courses.

Predicted New Credits Consumed in Fall………. ……..	$1,445,249
Predicted New Credits Consumed in Spring……..……...	$1,321,381
Total Revenue Gain…………………..…………......	**$2,766,631**

* New credits calculated at $180/credit up to 12 credits and $90/credit after 12 credits.

Our analysis predicts an increase in course consumption under this scenario from students trying to receive the discount on additional courses, resulting in additional tuition revenue for Montgomery College.

Net Revenue Impact Per Year	**$1,431,931**

Overall, we believe this to be a conservative estimate, as we excluded students taking fewer than 9 credit hours and have all students paying the lowest price of $180/credit hour. There are additional retention benefits associated with this plan as well.

This scenario produces a potential net gain in tuition revenue of approximately $1.5M annually for Montgomery College.

REVENUE IMPACT – FIFTH CLASS 100% DISCOUNT

Based on the same analysis, the tuition scenario offering a 100% discount on more than 12 credit hours is predicted to produce a net loss in tuition revenue and is not recommended despite its popularity among survey respondents.

Predicted Revenue Impact:

Credits 12+ Already Consumed in Fall……….......….......	($1,432,440)
Credits 12+ Already Consumed in Spring……….	($1,238,040)
Total Revenue Loss……………………....… …....	**($2,670,480)**

Students already taking more than 12 credit hours a term would benefit even more from this scenario with no change in behavior. This creates a significant cost to MC based on the current state.

*Predicted New Credits Consumed in Fall……….. …....…...	$644,512
*Predicted New Credits Consumed in Spring…... …..........	$596,637
Total Revenue Gain……………….....……….......	**$1,241,150**

* New credits calculated at $180/credit up to 12 credits and $0/credit after 12 credits.

Our analysis predicts an increase in course consumption under this scenario from students trying to receive the discount on additional courses. This would result in additional tuition revenue for MC, but not enough to outweigh the costs.

Net Revenue Impact Per Year	**($1,429,329)**

Overall, this scenario produces a potential net loss in tuition revenue of approximately $1-1.5M for Montgomery College.

EVIDENCE OF SUCCESS AT OTHER INSTITUTIONS

Experiments at other institutions have shown that MC can likely find success with a 50% discount on credit hours above 12.

Institution Example: VCU

Situation: VCU moved to a per-credit hour pricing scheme and offered a 5th class at 50% off in the fall of 2013.

Result: The percentage of freshmen (only new students were impacted in year 1) that enrolled in 15 credit hours rose from 61% to 73%. 11% of their freshmen class took at least one more class. 8% more new transfers also took advantage of the offer.
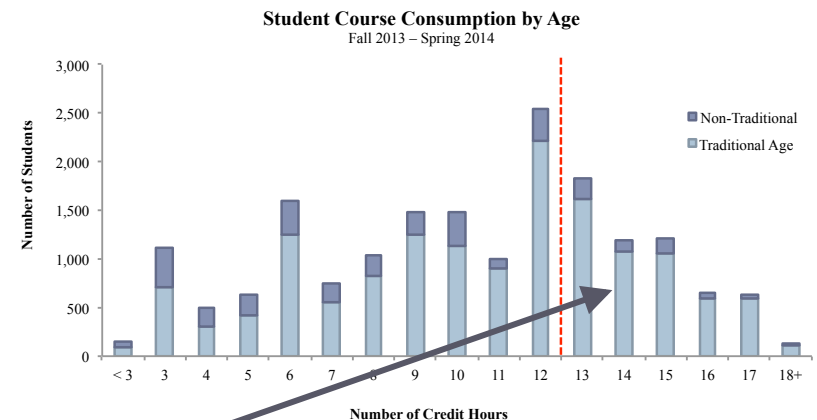
If the number of students taking 5 courses increased by 11%, Montgomery College would generate an estimated $1.275M per year, plus generate new residual effects from retention in year 2. This matches Kennedy & Co's student-survey based estimate of $1.4M per year fairly well.

Application to Montgomery College

CURRENT COURSE CONSUMPTION 2013-14

Within the fall and spring terms, more than 30% of Montgomery College students already currently take more than 12 credit hours.

Student Course Consumption by Age
Fall 2013 – Spring 2014

- Non-Traditional
- Traditional Age

Number of Students (y-axis)
Number of Credit Hours (x-axis)

Those students currently taking 12 or fewer credit hours could be incentivized to increase their course consumption under some of the tested tuition scenarios.

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ENCOURAGING STUDENT PROGRESSION

Implementation of this new tuition incentive program should be accompanied by an internal marketing campaign for students and, as appropriate, parents to help them understand the benefits of the program.
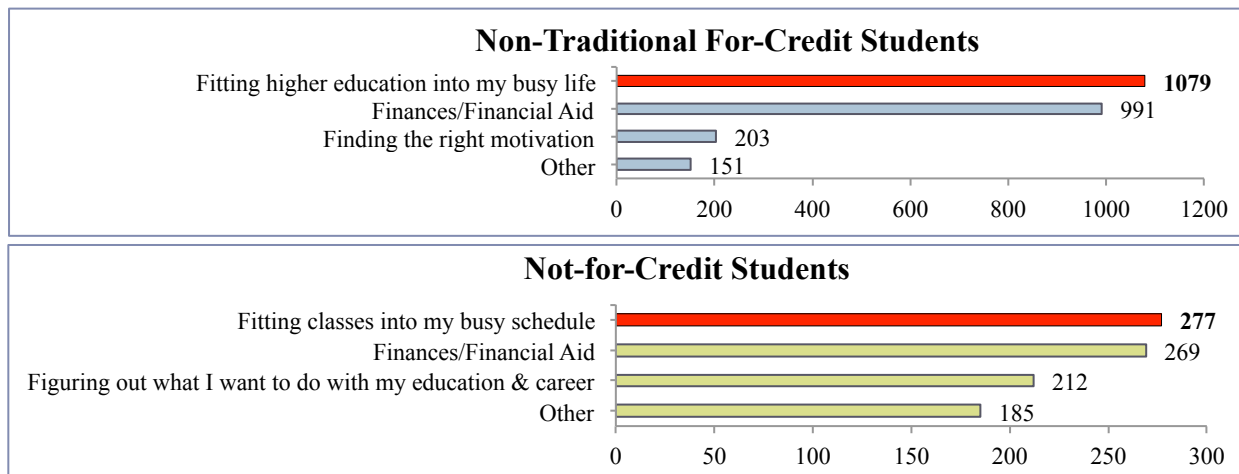
Goals of Internal Marketing Campaign:

- Have academic advisors identify specific students that would benefit from the program and are prepared to take on the additional coursework

- Help students understand the financial incentive to taking additional courses

- Help students understand the longer-term benefits of moving through their degree program more rapidly
    - Quicker degree completion
    - Save money
    - Faster progress towards enrolling in a four-year institution

- Help students be realistic about their ability to take on additional coursework

- Promote financial literacy in terms of college costs, transfer opportunities and costs, and opportunity costs of prolonging their education

Increased course consumption and encouraging student progression is mutually beneficial to both the students and to Montgomery College.

IMPROVING COURSE CONSUMPTION THROUGH ONLINE COURSES

Offering more online courses is another potentially powerful way to meet the College's goals and grow enrollment, especially for non-traditional students.

Non-Traditional For-Credit Students

Category	Value
Fitting higher education into my busy life	**1079**
Finances/Financial Aid	991
Finding the right motivation	203
Other	151

Not-for-Credit Students

Category	Value
Fitting classes into my busy schedule	**277**
Finances/Financial Aid	269
Figuring out what I want to do with my education & career	212
Other	185

1.) *Fitting an education into a busy schedule/lifestyle was identified as the biggest challenge to pursuing a higher education for the majority of Non-Traditional For-Credit and Not-for-Credit students surveyed at Montgomery College.*

2.) *Similarly, many students identified better course availability as the one thing Montgomery College could do to most help them meet their educational goals.*

Sample Responses:
- *"Offer more courses for the student who is employed full-time, outside of the 9-5 M-F schedule."*
- *"Offer more weekend and online courses."*
- *"Provide more courses of the existing courses to provide students a more flexible schedule and have the ability to take the course without being in the waitlist or waiting for next semester."*
- *"Offer more online courses and develop a better platform than Blackboard."*
- *"Increase the number of classes offered online, or create an online department or sub campus to increase the number of classes offered."*
- *"To meet my educational goals, Montgomery College could give more credibility to the online class."*

We also know that the College has space limitations, and expanding online offerings is a way to increase course consumption and overall enrollment without creating additional space needs.
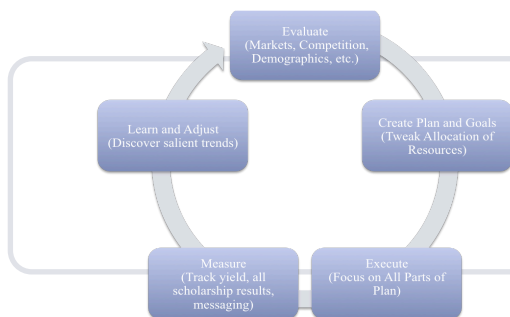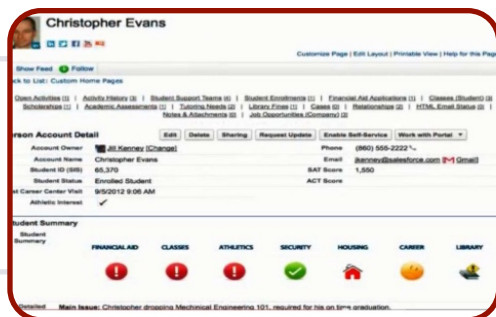
4 IMPLEMENT STRATEGIC CHANGES

Recommendations on Strategic Changes

The success of Kennedy & Company's recommendations may be contingent on several key enablers for Montgomery College.

Enrollment Goal Setting	Supporting CRM Technology	Cohesive and Coordinated Enrollment-Related Functions
A Cohesive Plan and Goals for Overall Enrollment… • Current and projected student enrollments, by campus and by program • Measurement of new strategies • Reallocation of new resources	**…supported by enabling technology (improved CRM) that allows for improved student support, tracking, and measurement of strategy success…**	**…housed under one leader in the organization who can coordinate all aspects of enrollment and retention success.**

Action Item	Months 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Implement segment-specific messaging	X	X	X	X	X	X												
Optimize marketing channels	X	X	X	X	X	X												
Coordinate and consolidate marketing spend	X	X	X	X	X	X												
Explore streamlining marketing management	X	X	X															
Redesign website	X	X	X	X	X	X	X	X	X	X	X	X						
Streamline scholarship process and timelines	X	X	X	X	X	X												
Create a data-driven approach to scholarships and aid		X	X	X	X	X												
Alleviate bottlenecks in the enrollment process	X	X	X	X	X	X				X			X	X	X			
Create implementation plan to redefine roles and relationships between recruiting, financial aid, the welcome center and advising		X	X	X	X	X												
Execute on implementation plan						X	X	X	X			X	X					
Implement new supporting technology to expand hours of service and customer focus		X	X	X	X	X	X	X	X									
Implement 5th class 50% off tuition incentive						X	X	X	X	X	X	X	X	X	X	X		
Offer more courses online for all student populations	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Implement educational campaign for students and families on affordability and financial literacy	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Integrate new technologies with future retention efforts				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Improve goal-setting and performance-measurement						X	X	X	X	X	X	X	X	X	X	X	X	X
Establish a position responsible for coordinating all resources related to enrollment and retention			X	X	X	X												

Kennedy & Company