To: Members of UPBAC

From: Jeff Adams, Director of Summer Session

Date: 11-10-09

Re: Request for $100k increase to summer session base budget effective FY 10

In round figures, the instructional budget for summer session is $1M, and summer session generates about $4M in revenue to the general fund. A detailed history over the last several years is attached. The instructional budget is used only to pay the instructional salaries for summer session; it does not include the operational costs for the Office of Summer Session (primarily 1.0 FTE classified plus publication costs), and it does not include benefits. Each year, the summer instructional budget is distributed to the colleges for their dispersement to departments.

Our office tracks the student credit hours (SCH) generated by courses funded through the summer instructional budget (which therefore excludes granted-funded courses and uncompensated courses such as thesis credits). The attached table shows that this figure was declining through 2005, but has been growing steadily since. The greatest source of growth has been on-line instruction. In 2005, we funded one course, which generated 144 SCH. This past summer, 17 courses generated 1486 SCH accounting for more than 10% of the total. There is every opportunity to grow this number again for the upcoming summer. The addition of on-line courses has increased salary costs, and a careful review of on-campus enrollments shows that there is nothing to be gained—indeed, our net revenues would likely decline—by cancelling on-campus courses to fund increased on-line instruction. The other major area of growth has been in the science courses (especially chemistry—about 28% the last two years) associated with the Post-Baccalaureate Pre-Med Certificate Program. Although this growth has required additional spending to ensure course availability, the revenues far exceed the incremental costs.

This past summer, the direct costs exceeded the summer session budget by about $70k, an amount covered by the Provost. Were these resources not spent, the likely revenue shortfall from decreased enrollments would have been much greater than this amount. However, this is not a sustainable model, and summer session will be limited to its budget in FY 10 (summer of 09). This commitment limits options to the following: a) limit growth of on-line courses; b) cancel on-campus sections that, in isolation, remain profitable for the campus; c) reduce funding for individual courses (with likely course cancellations and general quality erosion); or d) increase the summer budget. I fully recognize the difficulty of increasing budgets at this time, but I also think this sort of investment is important to maintain and potentially increase
the revenue from our summer program. All increases in the summer budget will be used to increase the transfer to colleges.

Given the increasingly uncertain climate, it would be irresponsible to guarantee that increased summer funding would definitely result in greater summer revenues. However, it is my judgment that careful management of on-campus offerings, done in close collaboration with the colleges, ensures that cancelling on-campus course would result in revenue reductions much greater than the costs. Growing our on-line program is an important strategic direction for the university, and summer session offers the most immediate opportunity to develop faculty expertise and grow FTE without substantially depleting FTE from on-campus courses.