



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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House Committee on Higher Education
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by

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HCR 71 and HR 57 – REQUESTING THAT THE UNIVERSITY OF HAWAII BOARD OF REGENTS LIFT THE CEILINGS ON NONRESIDENT ENROLLMENT OR, IN THE ALTERNATIVE, CREATE SEPARATE NONRESIDENT ENROLLMENT CEILINGS FOR MAINLAND AND FOREIGN STUDENTS.

Chair Chang, Vice Chair Nakashima, and members of the House Committee on Higher Education: Thank you very much for the opportunity to testify on House Concurrent Resolution 71 and House Resolution 57 that request the University of Hawai'i Board of Regents to lift the ceilings on nonresident enrollment and create separate nonresident enrollment ceilings for mainland and foreign students.

The University welcomes the intent of these resolutions to re-examine the potential revenue contribution to the state of nonresident university students, and also to determine whether or not our Board of Regents policy is appropriately responsive to the higher education needs of Hawai'i's citizens.

The University of Hawai'i System has recently examined the Board of Regents policy that sets nonresident enrollment ceilings. This was in response to a request from our Board of Regents last year, as well as to HCR 158 of the 2008 Legislative session that requested that the UH BOR study the feasibility and benefits of lifting the ceilings or having them set on a campus-by-campus basis.

In brief, the current BOR Policy, Chapter 5-11b, sets general principles for setting admissions policies, and recognizes that, "a public university's first responsibility is to provide higher education opportunities for qualified students from the community that supports it." It also informs campuses that they must establish educational and training programs to meet state workforce needs and that qualified nonresidents do enhance the mix in professional and graduate level programs. Chapter 5-11b(7) sets nonresident enrollment ceilings by campus mission, currently 30% for the four year and research campuses and 15% for the open door community colleges, excluding active duty

military personnel stationed in Hawai'i and their dependents. The current policy does not differentiate between graduate and undergraduate students.

I testified on HCR 158 to this committee in March 2008 that the UH planned to review potential changes to current policy by comparing, for example, the tuition paid by a nonresident student versus the cost of educating a student, including state financial aid that goes to non residents, UH dormitory spaces allotted to nonresidents, and whether or not non residents are successful students who graduate successfully.

Nonresidents, both international students and those from other states, make a valuable contribution to our campuses and to our state in general. The cultural diversity and economic benefit to bring to us are not in dispute. As Hawai'i's only public university, however, we have a responsibility to ensure that nonresident revenue streams indeed provide gainful revenue rather than cost for Hawai'i's taxpayers, and that they do not weaken educational opportunity and access for those Hawai'i students most in need of support in pursuing higher education.

On October 23, 2008, I briefed the UH Board of Regents on the results of our review, and have continued to monitor the cost of a UH education. I would like to highlight some of what we've found:

1. Tuition and fees paid by nonresident undergraduate students at UH campuses do not fully cover the average cost of education per full time equivalent student.
 - a. In 2007-2008 the average cost of education per full time equivalent undergraduate student was:
 - i. UH Manoa: \$18,842
 - ii. UH Hilo: \$19,911
 - b. In 2007-2008 the undergraduate tuition and fees paid by nonresident undergraduates at UH campuses was:
 - i. UH Mānoa: \$14,654
 - ii. UH Hilo: \$11,212
2. Tuition and fees paid by graduate students at UH campuses do not fully cover the average cost of education per full time equivalent student.
 - a. In 2007-2008 the average cost of education per full time equivalent graduate student was:
 - i. UH Manoa: \$37,003
 - ii. UH Hilo: \$26,126 (\$15,623 – Pharmacy)
 - b. In 2007-2008 tuition and fees paid by nonresident graduate students at UH campuses was:
 - i. UH Mānoa: \$16,594 (Graduate Division; Professional Schools vary from \$16,786 to \$40,588)
 - ii. UH Hilo: \$13,204 (Graduate) to \$30,148 (Pharmacy)

As you can see, the average cost of education per full time equivalent student exceeds the nonresident tuition and fees collected by UH. The following table is a summary:

2007-2008	Undergraduate Students		Graduate Students	
	Average cost of education* per FTE	Nonresident tuition and fees	Average cost of education per FTE	Nonresident tuition and fees
UHM	\$ 18,842	\$ 14,654	\$34,941 (Graduate)	\$16,594 (Graduate)
UHH	\$ 19,911	\$ 11,212	\$ 26,126 (Graduate)	\$13,204 (Graduate)

**Cost of education includes total general fund and tuition and fees, and excludes organized research, public service, auxiliary enterprises, and independent operations.*

As you can see, the cost covered by nonresident tuition varies by undergraduate or graduate level of students. It also varies by program at the graduate level. What is shown above are costs and tuition and fees for a graduate program (e.g., PhD in mathematics), and these differ for professional degree (e.g., MBA, MD, Pharmacy). For this reason, we are working directly with the individual campuses (Mānoa and Hilo) to consider their specific issues and situations. In a similar vein, we would suggest that the proportions of international students and those from other states are matters related to the mission of campuses, and are determined by each campus.

Thank you for the opportunity to testify.