

ENROLLMENT MANAGER

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HOUSE DEFEATS HHS-SPENDING BILL; UNIVERSITY STILL RECEIVES FUNDING

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"In a stunning setback for House GOP leaders, a \$142.5 billion FY06 Labor-HHS appropriations bill went down to a 224-209 defeat this afternoon," reported the National Journal in the November 17, 2005 issue of *Congress Daily*.

The Labor-HHS Bill is the principal bill by which colleges and universities receive Congressional "earmarks." Congress' failure to complete this bill means many schools counting on substantial new money from Washington will be sorely disappointed this year because they failed to diversify their requests and take cues from the legislative process.

The disappointment felt by many schools was both foreseeable and avoidable. The high cost of the Iraq War, persistent deficits, and the devastation of two hurricanes have caused Congress to scale back its taste for earmarks. But following the old adage, "don't put all of your eggs in one basket" has still allowed a number of colleges and

universities to tap into the federal budget this year.

By committing to have an active Washington presence, a University located in the Midwest began the year with an aggressive plan to diversify its requests by putting them in a variety of bills. They did this to increase the amount received and to ensure that if one piece of legislation ran into trouble, the school would still receive money. While the school made the traditional requests in the Fund for Post Secondary Education (FIPSE), the principal Department of Education account earmarked for colleges and universities, it also worked with its D.C. Counsel to target other bills from which they could receive assistance.

Notably, the school received a total of \$18 million in two separate Congressional earmarks placed in the Transportation Appropriation Bill and the Highway Reauthorization Bill this year. In addition, they will receive \$.5 million for a new engineering building by making this request in a separate account, the Economic Development (*see House Defeats HHS-Spending Bill p.3*)

ADVERTISING VERSUS DIRECT MARKETING FOR RECRUITMENT

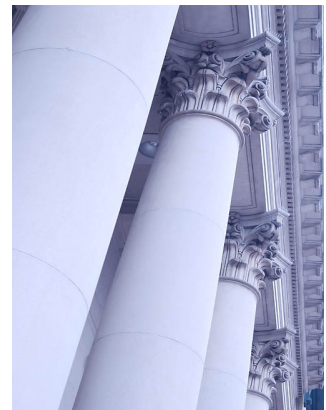
Douglas E. Clark
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Enrollment managers are, with the possible exception of those with unlimited budgets, confronted with the need to make choices about how their marketing dollars are

spent. When resources are scarce, it is important to maximize the results from every marketing dollar.

One ongoing issue is how to divide the dollars between advertising activities and direct marketing activities. This article will (*see Advertising p.2*)

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ADVERTISING CONTINUED:

argue the dollars spent on direct marketing have more impact than advertising dollars. So the next time you are pressed by admissions “experts” who want you to spend your scarce recruitment dollars on some advertising scheme because it will help, in some vague way, to build “awareness” of the institution, you need to be ready to counter with some good arguments.

In the world of admissions marketing we have one important advantage. For the most part, we know who our potential customers are and we have access to their names (I am speaking of traditional aged students here, not adult students). The College Board Student Search Service, American College Testing and NRCCUA enable us to purchase the name of almost every student available for recruitment in a given cycle. These services allow the enrollment manager to tailor a request for names based on an appropriate profile for the institution using indicators such as GPA, location and possible major. In addition, college programs and fairs produce names of prospective students.

Once you have the names of students in your data base you are ready to engage in direct marketing activities that have important recruitment advantages:

- Direct marketing allows you to communicate directly with students who are most likely to enroll in your institution using multiple media such as direct mail, email and telecounseling. These activities facilitate building a relationship with the potential student.
- Direct marketing is ideal for asking potential students to take a step in the enrollment process such as filling out an inquiry card, submitting an application, visiting the campus, or sending in a deposit. This also allows you to get feedback on just how well marketing efforts are working.

It is important to note that effective direct marketing requires good data base management. Keeping track of where students are in the enrollment process is vital to effective communication. Staff members who are skilled at managing the data base are worth their weight in gold!

Advertising has its role in the world of marketing, but is not the most cost effective way for enrollment managers to recruit students. It is expensive and harder to control in terms of just who you are reaching (you pay for those who are not really potential students to get your message). It does not allow you to build relationships, and its impact is harder to measure unless there is some direct response action the stu-

dent can take like “call this toll free hotline” (a tag line some colleges may not find appropriate). To build awareness, a good public relations operation can utilize less costly efforts such as courting key newspapers to get them to run stories about interesting activities at your institution.

While advertising or sponsoring a popular radio show may make folks at the institution feel good about the college, I would suggest that it is doing very little in the way of making a measurable impact on recruiting your class (which needs to be large enough to make your president feel good about you). Better to take those advertising dollars and put them into direct mail, email and telecounseling!

LEVERAGING AND PREDICTIVE MODELING IN FINANCIAL AID

Dr. Scott D. Miller
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Leveraging formulas and predictive modeling programs have become popular in recent years. Using historic trends, tracking individual characteristics of aid recipients and calculating conversions and yields can be useful. College and university administrators should be cautious, however, when purchasing such services.

Financial aid is certainly an important influence in the college selection process. It would be a mistake to overestimate the impact of the amount of aid or aid structure in decision-making. So many other factors can influence college choice. Location, academic reputation, facilities, co-curricular opportunities, academic support services and even the relationship built between admission counselors and prospective students and their parents can have equal or greater influence on the selection process. A review of relevant data is important and can be useful, but it should not be viewed as some magic bullet.

The size of the institution must be taken into consideration. Modeling and other formulas often work better at larger institutions. Calculating trends and conversion for 8,000 applicants for admission might be meaningful. Attempting to calculate meaningful trends based upon much smaller application pools are not as likely to be accurate and can actually be dangerous. (*see Leveraging p.3*)

LEVERAGING CONTINUED:

Electing to address expenditure or yield issues with formulas and models is sometimes easier than taking a closer look at the actual financial aid and recruitment practices at an institution. Making changes in internal operations can often increase enrollment yield and assist in controlling or reducing institutional aid expenditures.

- Review Strategies and Tactics in Building the Inquiry Pool
- Examine Communication Between Admission Counselors and Applicants for Admission
- Thoroughly Review Financial Aid Policies and Practices
- Reconsider the Institutional Financial Aid Award Policy
- Increase Visit Rates

While effective enrollment management requires accurate data and analysis, administrators seeking to improve yield, conversion rates or reduce financial aid costs should begin the process by examining internal operations. Enrollment management leaders must focus efforts to make improvements on the intended results rather than limiting their options with a single tool.

Data analysis is definitely useful in order to control financial aid expenditures and increase net revenue, but the

HOUSE DEFEATS HHS-SPENDING BILL CONTINUED:

Initiative (EDI) Account. EDI Grants are funded through the Department of Housing and Urban Development, which receives its annual budget from an appropriations bill separate from the Labor-HHS bill.

The school only made one of the traditional requests in the Fund for Post Secondary Education (FIPSE), the principal Department of Education account earmarked for colleges and universities. In addition, they also asked for money in the Museum and Library Account, also funded through the Department of Education. Both of these requests were among the thousand plus Labor-HHS earmarks that did not get funded this year.

However, the University's decision to hedge its bets and

issue is much more complicated than just applying a new formula or utilizing modeling technology. This is particularly true for smaller colleges and universities. Institutions would benefit from an approach that combines statistical analysis with a review of practices.



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file multiple requests in three other federal programs led to substantial success because the Transportation and Housing and Urban Development Bill will be signed into law shortly. To execute their plan the University committed to an aggressive outreach to Congress using the President, the Provost and the Treasurer to meet regularly with Members of Congress to outline their requests, to answer questions and to recalibrate each request based upon feedback from these meetings.

They also made the decision that they could not do this on their own. Through Washington legislative counsel familiar with the Congressional process, they developed a multi-year strategy to look at both the annual appropriation process as well as periodic reauthorizations of key bills. They targeted accounts that provided larger amounts of money to undertake (see *House Defeats HHS-Spending Bill p. 4*)

HOUSE DEFEATS HHS- SPENDING BILL CONTINUED:

initiatives that would not be possible through the regular appropriations bills. This commitment yielded the substantial success described above.

It is noteworthy that prior to retaining a Washington firm, the University never received a federal earmark. Over the last three years, the University has received over \$23.5 million. Commitment to the appropriations process through multiple high level visits, regular attention to its projects from its local counsel, diversified requests, and an organized plan executed over three years has yielded significant financial success. Equally important, the same institution is now routinely asked to testify on the Hill on issues that effect higher education, including loan programs, which has helped to enhance its national profile.

Washington is no longer the easy target for colleges and universities that it has been for the last five to 10 years; but, those institutions who invest in the process and are prepared to plan carefully in consultation with a Washington firm that specializes in federal appropriations work will remain successful.



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COMMUNICATIONS PLAN- NING CAN SAVE SIGNIFICANT BUDGET DOLLARS

David Waggoner
Vice President
Premier Communications

“Cheaper, Faster, Better” is not just a motto for NASA, but also for Enrollment Managers as they constantly struggle for ways to curtail the cost of enrolling students. Because direct mail is an extremely important component of a successful recruitment campaign, recently announced postal rate increases make it essential that Enrollment personnel take advantage of every opportunity to reduce communications postage costs. Significant savings are available to those who take the appropriate variables into account when planning their direct mail. In general, these savings can be achieved by close coordination among the various participants in a direct mail campaign which should include Enrollment Management, the printing vendor, and, of course, the direct mail vendor. In order to achieve the greatest postal savings, the timing, design, and mailing preparation of the communication must be considered.

Timing: By planning ahead, Enrollment Managers can avoid the problem of having a deadline, such as an Open House, sneak up on them. Premier Communications makes it a point to sit down face-to-face with each client during the summer to map out the entire direct mail schedule for the upcoming year. Both enrollment personnel and Premier personnel are provided copies of the schedule, so that each is reminding the other of deadlines as the recruiting cycle progresses.

Planning ahead for the timing of mailings avoids having to design and mail a piece in a rush that might affect the quality of the piece and the postage costs. For example, an Open House piece that was poorly planned would probably have to be mailed first class which means that you are paying a premium for quick delivery. 20,000 letters in a #10 envelope inviting prospects to an Open House mailed first class would have a postage cost of about 37 cents per letter, or \$7,400. The same 20,000 letters mailed several weeks earlier using standard class postage would reduce postage to approximately 22 cents per letter, or \$4,400. And, if your piece qualifies as non-profit postage (a subset of standard class) your postage cost can be as little as 11 cents per letter, or \$2,200. As you can see, planning ahead, and allowing three to four (*see Communications Planning p.5*)

COMMUNICATIONS PLANNING CONTINUED:

weeks for delivery, can result in significant postage savings.

Design: Although there are many aspects (and sometimes many players) involved in the design of a communications piece, from a postage perspective the three most critical are weight, size, and layout. As you know, first class postage mandates a maximum weight of 1 ounce before significant price increases take effect. But did you know that the first price increase for standard class and non-profit postage is for a weight above 3.3 ounces? This means that pieces that are timed in advance to take advantage of postage discounts, can also be significantly heavier (which allows you to include more information) than those that are done at the last minute, thereby requiring first class postage. Recently, Premier assisted a client in designing a four-color mailing insert to go in a #10 envelope by sampling various grades and weights of card stock so as to get as close to, but not over, the maximum weight for the postage class. Does this kind of thought and planning go into your design?

The size of a piece is also critical to achieving the most cost effective postage. Can your message be relayed effectively on a postcard? If so, you will qualify for the lowest postage rate possible. If not, can it be relayed on a letter-sized piece, thereby allowing for significant postage discounts? Or is the designer of the communication working in a vacuum, totally oblivious to the postage costs of the magnificent piece that they are designing? We recently had a beautiful card delivered to us for mailing from a top quality communications design firm that, according to post office regulations, was 1/8 of an inch too wide to achieve a postal discount, thereby costing the institution thousands of dollars in increased postage costs. If the size of the card had been considered during the design process, certainly all would have agreed that 1/8 inch would not have compromised the artistic integrity of the piece.

The layout of a mail piece should also be considered from the onset. The key issues here are the length versus width (the aspect ratio) and whether or not a piece is folded. The USPS has very specific regulations regarding the aspect ratio. Simply by turning the address area on the layout so that it reads across the long side of the mail piece can result in significant postage savings without changing any other part of the layout design. Folding mail pieces raises the issue of tabbing. Whether the tabs are at the top or bottom

of a piece, or at the sides, have implications for the postage costs and for mail preparation costs. Enrollment Managers should also consider the “mass mailing” appearance of a tabbed piece.

Mailing Preparation:

Although mailings prepared by Enrollment Managers in-house have the advantage of free or nearly-free student labor, they most usually are not in compliance with USPS rules that allow postal preparation discounts. ANY AND ALL postage discounts require mail preparation such as address verification, sorting, automation, address printing requirements, traying, tagging, reporting, etc., that are simply beyond the fiscal or time constraints of the institution. Quite frankly, mailing houses justify their existence by saving a client more in labor and postage than they charge for their services.

As most postal discounts require a minimum of 200 pieces, the rule of thumb here is simple. For mailings of 200 or more items, a direct mail house should be considered. In general, we have found that clients that are mailing 50 to 100 viewbooks per day to prospects should probably do this in-house since the high first-class postage costs are usually offset by the labor savings. Institutions mailing above this amount, however, might find it cost advantageous to batch viewbook mailings every other day, give them to a mail house, and thereby take advantage of postal discounts for 200 or more. For example, we have one client whose viewbook costs \$1.75 to mail first-class. That same viewbook, batched in quantities of 200 or more, can be mailed non-profit for 38 cents each!

In summary, significant cost savings in direct mail costs can be realized by taking the appropriate variables into account during your planning process. These key variables are timing, design, and mail-preparation. For all of these, the key to your success is to involve direct mail professionals, just as you involve creative design professionals, when planning your direct mail campaign.

COMMON QUESTIONS FROM ENROLLMENT MANAGERS ABOUT FINANCIAL AID

John W. Dysart
President
The Dysart Group, Inc.

I have worked with more than 135 colleges and universities and often receive questions about (*see Common Questions p.6*)

COMMON QUESTIONS CONTINUED:

financial aid from enrollment managers. The following are the most frequently asked questions:

How soon can financial aid packages be sent for Fall semester?

The timing of financial aid awards can be even more important than the actual structure of the awards. Some students will enroll at the first institution that demonstrates how they can afford to attend. Financial Aid Offices can begin processing awards for both new and returning students during the first week in January. In order to maximize competitiveness, you should encourage the folks in your Financial Aid Office to begin packaging students during the first week in January.

What is the appropriate turnaround time from the day an electronic application for financial aid is received until the time an award should be mailed?

Again, timing is critical. Competitive colleges and universities seek to complete the awards for both new and returning students no later than 48 hours from the receipt of the application.

How many forms are actually required in the financial aid process?

You might be surprised how few forms are required in the process. The majority of students are not selected for federal verification. Approximately 70% of financial aid applicants are not selected. If the applicant is not selected, there are virtually no forms required after a student completes the FAFSA. Promissory notes are only required for new borrowers. Loan entrance and exit counseling is generally available electronically. There is no reason for students to return award letters. Institutional financial aid applications are not required. Sometimes, states require an application for a state grant, but other than that, there are virtually no forms required for students who are not selected for verification.

Must Financial Aid Offices wait until after the verification process is complete to award students selected for verification?

There is no requirement to delay packaging. It is recommended that colleges and universities package students immediately, even if they are selected for verification. If any problems arise as a result of verification, the package can be adjusted.

Is the flexibility of financial aid officers severely limited by federal regulation?

There are clearly regulations in the financial aid process. Financial aid administrators, however, have tremendous authority to make adjustments. *“Nothing in this part shall be interpreted as limiting the authority of the financial aid administrator, on the basis of adequate documentation, to make adjustments on a case by case basis to the cost of attendance or the value of the data items required to calculate the expected student contribution or both to allow for the treatment of an individual with special circumstances.”*

How often can the institutional award policy be changed?

Colleges and universities should consider changes to the institutional award policy on at least an annual basis to address changes in price, market, enrollment, yield or budgets. If necessary, changes can even be made in the middle of an award cycle.

How involved can admission professionals be in the financial aid process?

Admission counselors can and should be intimately involved in the financial aid process. They should understand and be able to explain the basic process. They should have an understanding of the federal, state and institutional aid offerings. They should understand and be able to explain the institutional award policy. Detailed knowledge regarding financial aid can be valuable for admission counselors since they are the people most likely to have had systematic communication with prospective students and they are most likely to have a relationship with prospective students and parents.

How can admission professionals and enrollment managers learn more about financial aid?

There are a number of good ways to learn more about financial aid. One of the best is to begin attending financial aid conferences. Every state has a financial aid association and conferences are held, generally, twice each year. Many states offer specific training opportunities annually for folks new to financial aid.

There are also regional financial aid associations and the National Association of Student Financial Aid Administrators (NASFAA). The conferences held by these organizations are quite good. *(see Common Questions p.7)*

COMMON QUESTIONS CONTINUED:

Easy to understand training materials are also made available by the United States Department of Education. Consult your financial aid administrator to find out more.

You might also find it both interesting and helpful to sign up for a state or national financial aid Listserv. These are valuable sources of useful information.

What type of report would be useful to enrollment managers with regard to financial aid?

It is surprising how few Financial Aid Offices generate weekly reports. Enrollment managers may seek to ask for a report that addresses expenditure levels and processing.

Expenditure levels are an obvious area. Colleges and universities should track the amount of institutional aid offered to new and returning students on a weekly basis. Scarce sources of aid such as state grants, FSEOG, Federal Perkins loans and Federal Work-Study should also be monitored. There are always going to be variables to the best expenditure plan. Improved academic quality for new or returning students can increase awards for academic scholarships. Recruiting or retaining a slightly more needy population can impact the amount of need based aid offered. Tracking on a weekly basis enables administrators to note any changes in anticipated aid offers and make changes in the award policy or award parameters as appropriate.

Equally important, enrollment managers should have a mechanism to track financial aid processing throughout the award cycle.

-How many applicants for admission have applied for financial aid?

-How many returning students have applied for financial aid?

-How many of the new and returning students who have applied for aid have been packaged?

-How many of the packaged new and returning students have submitted all required documents and are ready for disbursement?

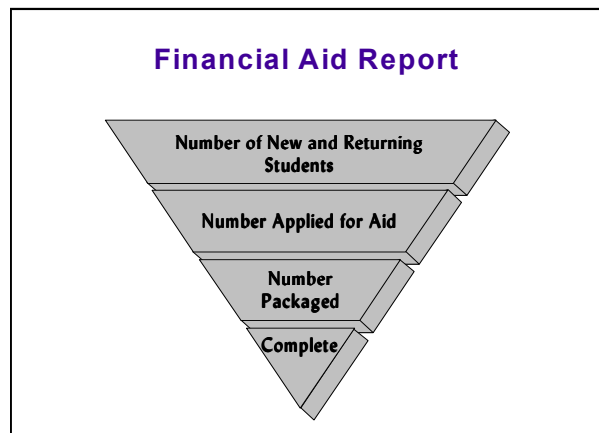
Tracking these processing indicators can be useful for enrollment managers. High numbers of admission applicants and returning students applying for aid early in the cycle bode well for recruitment and retention. Significant numbers of new and returning students who have not applied

for aid may be an indicator of a recruitment or retention challenge.

Calculating the number of financial aid applicants who have been packaged is a good way to evaluate the processing efficiency in the Financial Aid Office. As mentioned earlier, it is important to ensure that students who apply for financial aid are packaged in a timely manner.

Tracking the receipt of required documents such as verification materials and master promissory notes is critical for cash flow. Having the majority of students packaged is not of much use if we are unable to disburse financial aid at the beginning of the term.

In addition, submission of required forms may also be an indicator of student interest. New and returning students who are not turning in required forms may be students who are not interested in attending.



Enrollment managers must continue to learn more about financial aid and the financial aid process as more and more institutions seek to integrate the various offices involved in recruiting and retaining students. While there are a variety of ways to learn about financial aid, the first step is to ask the right questions.

*Best Wishes
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New Year!*

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