    2.   **Board Goal – Receive Information on Developing a**   **Jean Redeker,**
              Common Online Application for State Universities   **VP, Academic Affairs**

Summary

One of the Board's 2016-2017 attainment goals was to conduct a cost-benefit analysis of developing a common online undergraduate admissions application for the state universities. The analysis found that a centralized, common online application can provide potential benefits and increased costs to both applicants and institutions, but that the increased costs exceed the potential benefits. Staff recommends retaining the current system for online applications.

Background

In October of 2000, the Board adopted a goal to create a single undergraduate admissions application for use by all state universities. The project was subsequently expanded to encourage participation from community/technical colleges, Washburn University, and the independent institutions in the state. In November 2002, the Board awarded a contract to CollegeNet to develop a common online undergraduate application for the six state universities for implementation for the Fall 2004 entering class. The Board also voted to increase the application fee from $25 to $30 to cover the costs of moving to an online application.

Most universities encountered technical difficulties implementing the common online application, and when the Board renewed the contract with CollegeNet in 2005, it also allowed state universities to opt-out of its use. Two of the six state universities chose to continue using the common online application developed by CollegeNet, while four opted out.

Today, all six state universities offer an online admission application. FHSU, KSU, and PSU use an internally-developed online application while ESU, KU, and WSU each contract with a different vendor. FHSU plans to adopt the Workday online application system. Institutions charge an application fee ranging from $30 - $40.

One of the Board's 2016-2017 attainment goals was to conduct a cost-benefit analysis of developing a common online undergraduate admissions application for the state universities. Staff first researched the benefits for prospective students. Next staff explored developing an internal common application similar to ones created by other university systems, such as in California, Texas, and Wisconsin. Staff determined that the costs, which included staffing a help desk and hiring additional IT and data security staff, rendered an internally-developed application too expensive and thus impractical. The University of Texas system, for example, employs five FTE dedicated staff and spends $650,000 annually to maintain the Apply Texas application for its seven institutions. Staff also considered returning to the CollegeNET system, but its costs equal or exceed those of the other major online applications available, and it would not provide a single common form that could be used by prospective students who also wanted to apply to other institutions outside of the six state universities, which is one of the key benefits of such applications.

The analysis then moved to reviewing the three predominant online common application systems available in the U.S. These online application systems are run by private companies or are consortia-based. Finally, staff asked the six state universities to provide the costs and benefits of the application systems they currently use as well as the estimated costs and perceived benefits of implementing and maintaining a common application for the system.

Benefits and Costs of a Common Application for Students

The benefit of a common online application for prospective students is a reduction in the time required to apply for admission to multiple institutions. Common applications eliminate the need to enter much of the required admissions data such as name, address, high school curriculum, GPA, etc., more than one time. However, institutions typically customize aspects of an application including requiring applicants to provide unique information related to specific programs and scholarships offered by the institution. The primary cost to prospective students is an increase in the application fees, which are often the funding source for such applications.

Review of Predominant Common Online Application Systems
The three predominant common online application systems were researched to determine the costs and benefits provided. The newest player in the common online application scene is the Coalition for Access, Affordability, and Success (CAAS), which became available in 2016. It is consortia-based in which no university systems to date participate, and whose criteria for membership exclude all but one of the six state universities. It was thus excluded from further analysis.

The two remaining predominant online application systems, the Universal College Application (UCA) and the Common Application (CA), were next explored. Ninety-seven percent of UCA member-institutions are private, and many require essays and letters of recommendation for admission. The Common Application has 700 member institutions in 48 states, 83% (580) of which are private institutions. Neither application offers a university system membership, only individual institutional memberships. Table 1 provides a summary of these two application systems.

Table 1 – Common Online Application Systems

	Universal College Application	**Common Application**
Initial Operation	2007	1975
Members	34 (1 public institution)	700 (120 public institutions)
Costs	$1,250 - $2,250 implementation fee $500 annual fee $4.50 per application fee $1.00-2.00 per pay transaction fee $500 annual fee for additional forms or file uploads	$2,500 implementation fee $1,000 annual fee $4.66 per application fee $2.00 per pay transaction fee
Technology	Proprietary	Proprietary
Impact on Applications	Unavailable	5% increase 1st year for high volume 15% increase 1st year for regionals
Owned by	ApplicationsOnline, LLC	Consortia-based

Projected Costs and Benefits of Adopting the Common Application in Kansas
The Common Application processes 4 million applications annually. The Common Application would provide much greater visibility to potential out-of-state applicants than the Universal Common Application. Consequently, representatives from Common Application member institutions in Connecticut and Massachusetts, who receive between 6,000 and 20,000 applications annually, were asked the costs and benefits of their membership in the CA. Their reported costs and benefits included:

- implementation times ranging from six months to one year
- a minimum of three and up to seven FTE staff to plan and implement the CA, which includes integration with existing scholarship applications, customer relations management systems (CRM), student information systems (SIS), document imaging systems
- staff training and between two and five FTE staff to maintain the CA
- $28,000 to $42,000 in annual membership licensing and transaction processing fees
- an increase in applications the first year, but a decrease in the yield rate or enrollment at some institutions

The primary benefit of a common online application for students is it provides some additional convenience and saves time during the application process. The primary benefit of a common application for the universities is the potential to reach more prospective out-of-state students, and all Common Application member institutions reported increased applications. However, some of the Common Application institutions experienced a decline

in either their admissions yield rate (the percent of applicants who enrolled) or in the total enrollment of new students.

The projected additional costs and revenue of becoming a member of the Common Application were calculated for each of the universities based on the undergraduate applications they received in 2015-2016, the 2017-2018 Common Application fees, and the average increase in the number of applications experienced by new Common Application members between 2010 and 2014. The analysis presumed a model that is neutral in its impact on the universities' operations.

Additional revenue to cover the cost of changing to the Common Application could come from increased application fees (which was not factored into the model) or from some other source. The model presumes all freshmen applicants pay a total of $30 for six applications (one per state university).

Implementation of Revenue Neutral Model
The estimated one-time implementation costs total $615,000. This includes the one-time $15,000 ($2500 per institution) CA implementation fee and the $600,000 ($100,000 per institution) projected costs for staff time, training, and the requisite systems integration with the universities' existing customer relations management software, student information systems, and document imaging systems.

The model is revenue neutral from a cash perspective and would generate $1.04M in fee revenue and cost approximately the same in annual CA processing fees. However, institutions would forego at least $4.20M in application fee revenue[6], which is used to finance the costs of the admissions offices. To implement a sustainable model that considers all current expenses and revenues, $5.24M is needed on an annual basis for CA processing fees and lost revenue recovery. This is in addition to the one-time funds of $615,000 for implementation costs.

Changing systems would end the fee waiver set-aside program all state universities currently have for economically disadvantaged students. It would also limit universities' ability to customize their admissions applications. Such customization includes rolling the scholarship and admissions application into one application, which is currently being done at some state universities. Adoption of a common online application would require applicants at these institutions to fill out a separate scholarship application, because the scholarship and admissions application were decoupled. Some prospective students would, undoubtedly, miss filling out the scholarship application and fail to receive aid for which they are eligible.

In addition, revenue from application fees fund admission positions. If the model is not revenue neutral, an 50% reduction in gross revenue on an annual basis would result in a reduction in staffing at admissions offices. This would be at a time additional staffing would be needed to process the increased volume of applications and to provide student, parent and counselor services for applicants – some of whom may have little interest in attending an institution, but would like to take advantage of the flat fee for six applications.

Summary and Recommendations
Granted, adoption of the Common Application would provide some additional convenience and time savings to students who applied to more than one of the state universities. However, unless the model is revenue neutral, adoption of the CA would have negative consequences. Currently state universities set aside funding to provide fee waivers. This would end. At a time when increasing enrollment for first generation and underserved students are the focus of Kansas postsecondary institutions, adopting the CA would be counter-productive. Additionally, adoption of a common online application would require applicants to complete a separate scholarship application, and some prospective students would, undoubtedly, miss this step and fail to receive aid for which they are eligible. Finally, adoption of the CA would likely lead to staffing cuts in admissions offices. After a similar

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[6] This figure is likely higher as the model doesn't consider that in FY 17 KU, KSU and WSU raised their application fee to $40 while ESU, FHSU, and PSU charged $30 at the time of the analysis.

analysis in 2013, the Louisiana Board of Regents opted not to mandate membership in the Common Application for its public institutions. Staff concurs with the Louisiana decision.

After careful consideration, staff determines the disadvantages outweigh the advantages for adopting the Common Application process. This does, however, draw attention to the need to streamline the application process and provides the impetus for further discussions with the state universities. Staff recommends moving forward with a review of the application process culminating in recommendations to streamline it.