



Australian Government
Australian Education International

Internationalisation of U.S. Higher Education

In a

Time of Declining Resources

Report commissioned by



Australian Government
Australian Education International

Report written by

Madeleine Green and Adelaide Ferguson

About this report

Australian Education International (AEI) North America commissioned this study for the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) in June 2011. The study explores the impact of recent resource declines on U.S. universities' internationalisation policies and strategies.

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About the researchers

The research was conducted by Madeleine Green, Senior Fellow, International Association of Universities and NAFSA: Association of International Educators, and Adelaide Ferguson, Global Education and International Development Consultant.

Acknowledgements

AEI North America would like to thank the U.S. universities who participated in the research project and all individuals who contributed by agreeing to interviews, supplying data and information, and assisting otherwise.

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Executive Summary

The U.S. higher education system is recognised for its leading universities and research centres that rose to prominence in the 20th century as international hubs for researchers and students from around the world. A large and diverse system with 4,409 degree granting institutions, it is currently facing fiscal challenges that many are saying will require systemic reform, or a ‘new normal’ in the provision of U.S. higher education.

Amidst this, U.S. institutions, along with universities around the world, are exploring their positions internationally. While the U.S. through the 20th century became the leading host of international students and researchers with now over 690,000 per year, internationalisation of the university is now central within many mission statements. These are demonstrated in overseas branch campuses, study abroad experiences, international research collaborations, hosting international students, internationalising the curriculum – all being part of the new world of universities.

This report reviews how the challenges of declining resources are impacting on the internationalisation efforts of U.S. universities. It provides a brief overview of the US economic climate and its impact on higher education, followed by an analysis of the impact on policies related to internationalisation, including international student recruitment by US systems, states and universities and relevant case studies to illustrate these issues.

The report was developed through interviews with 22 experts in international education from academe, major U.S. international education associations, governments and corporations, complemented by extensive publication and online research.

Twenty nine state governments are planning on cuts to their higher education budgets in 2011 / 2012 with up to \$1.5b in states such as California. The US federal government’s stimulus funding also begins to run out in August and it has cut \$45m or 40 per cent of the budget for international education programs under Title IV and the Fulbright-Hays Program.

The report concludes that most U.S. institution leaders acknowledge the importance of internationalisation and are seeking to pursue it in different ways, reflective of the diversity of the U.S. system. The fiscal challenges facing US institutions are resulting, as with other sections of the campus, in cuts and challenges to their international offices and internationalisation efforts.

Recruitment of international students is receiving greater attention as a revenue source. Marketing and recruiting efforts are thus being developed with an increased focus on collaborative state wide strategies including web sites, advertising campaigns and consultants. While pathway partnership arrangements with third party organisations are getting more popular, healthy debate still exists about the use of agents to recruit on behalf of institutions. There is also a trend toward fewer, more strategic international partnerships with international universities.

The next few years are likely to reveal whether the current crisis is indeed another cycle or if U.S. higher education is indeed in an era of a “new normal.” No matter how dire the funding situation, it is unlikely that U.S. higher education institutions, especially research universities, will retreat from expanding their international focus.

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I. Introduction: The U.S. System and Current Issues

The U.S. higher education system is large and diverse, with 4,409 degree granting institutions in 50 states and other jurisdictions such as Guam and Puerto Rico. Some salient facts about the size of the sector and diversity of the institutions follow (NCES, 2009; NCES, 2009a):¹

- Of the 4,409 degree-granting institutions, 1,676 are public, 1,629 are private not-for-profit, and 1,104 are for-profit.
- Although the research universities are best known outside the United States, it is important to note that there are only 165 public research universities and 105 private research universities.
- Community colleges play an important role in U.S. higher education, educating 6,324,119 students (or 33 per cent of the total student population) in 1,629 colleges.
- There were 18,871,084 students enrolled in Title IV eligible institutions in fall 2007.²
- Public higher education institutions enrol over 73 per cent of the 19 million students in the American higher education system (Chronicle of Higher Education, 2010).
- Seventy-three per cent of all undergraduates in the United States are “non-traditional” students (NCES, 2002). In other words, they did not enter college or university immediately from high-school, enrol full-time or depend on parents for financial support.
- Total revenues at public institutions were \$267 billion³, \$69 billion at private not-for-profit institutions, and \$19 billion at for-profit institutions (NCES, 2011).

On the international student front, there are currently 690,923 international students studying in the United States. On average, the number of international students studying in the United States has grown 3 per cent per year over the past decade (Institute for International Education, 2010). Those students are however in a limited number of institutions. In 2009-10, only 200 institutions hosted 70 per cent of international students studying in the United States (Institute for International Education, 2010).

Two important current policy issues are the cost of higher education and the growth and regulation of the for-profit sector. Public institutions have differential fees for in-state and out-of-state students (the latter fee also applying to international students). Average tuition and fees per year (excluding all other costs such as housing or books) for institutions in 2010-11 were as follows (College Board, 2010):

- Public four-year institutions: \$7,605 in-state; \$19,595 out-of-state
- Private four-year institutions: \$27,713
- Two-year public colleges: \$2,713
- Private for-profit institutions \$13,935

¹ In addition to the specific citations throughout the text, the authors incorporate information provided by personal interviews with individuals listed in Appendix 5.

² Title IV is part of federal higher education legislation that makes institutions accredited by federally-recognized agencies eligible to receive federal financial aid.

³ Any monetary figures within this report are in United States Dollars.

According to the College Board between 1999-2000 and 2009-10, the average annual increases in tuition and fees were as follows (College Board, 2009):

- About 5 per cent at public four-year institutions;
- 2.6 per cent at private four-year institutions,
- Nearly 2 per cent at public two-year institutions.

However, in the past year alone, the increase in tuition and fees at public four-year colleges and universities averaged about 8 per cent for in-state students. Additionally, 19 per cent of full-time students attended colleges that increased their published prices by 12 per cent or more (College Board, 2010).

College costs have increased far faster than inflation or family income, and continued access for low-and middle-income students is a major concern for policymakers, institutional leaders, and students and their families (College Board, 2010). The question of affordability for U.S. students has caused debate of the merits of increasing enrolments of international students while U.S. students have decreasing access to an increasingly expensive higher education.

A second issue is regulation of the for-profit sector, the fastest growing segment of U.S. higher education. Its growth can be briefly described as follows (Baum and Payea, 2011):

- Between fall 2000 and fall 2009, full-time enrolment in degree-granting for-profit institutions increased from 366,000 to 1.5 million.
- This five-fold increase in enrolments compares to 19 per cent at 4-year not-for-profit private institutions, and 30 per cent at public 4-year institutions.
- The for-profit sector enrolled 11 per cent of full-time students and 9 per cent of all students, compared to 4 per cent and 3 per cent in 2000.
- Of all sectors, for-profit institutions enrol the highest percentage of students with family incomes under \$40,000 (54 per cent).

At present, students at for-profit institutions represent 12 per cent of all higher education students, 26 per cent of all student loans, and 46 per cent of all student loan dollars in default (US Department of Education, 2011). With over 300,000 enrolled students, the University of Phoenix's online campus has the largest number of enrolments of any university or college in the United States (The Chronicle of Higher Education, 2010).

Recent Congressional investigations have revealed recruiting abuses of the for-profit sector, and the problem of graduates with a high level of indebtedness coupled with an inability to obtain the jobs for which their programs prepared them. A federal regulation known as the "gainful employment regulation," which denies federal aid to institutions with a high debt-to-income burden and records of low loan-repayments, is about to be enacted. This regulation was the subject of significant lobbying by the for-profit sector and intense debate (Blumenstyk, 2010).

The for-profit sector is growing around the world, and increasingly the giants such as Laureate and Kaplan are operating internationally. Their growth could also alter the picture for international students as they become bigger players in the international student market.

II. The U.S Higher Education Context: Pressure Points

1. The Financial Crisis

a. The Federal Budget

Federal and state deficits and the slow economic recovery constitute a sobering new reality for the American people and are the focus of intense domestic politics. Federal support for international programs and exchanges is relatively small, but the impact on some campuses is great.

Similarly, although the federal government's role in higher education is limited, its support for student aid and research are vital. Federal appropriations, grants and contracts accounted for 13.6 per cent of total revenue for public four-year institutions (Chronicle of Higher Education, 2010). On top of this, in 2009-10 the federal government provided \$130 billion in financial aid and grants to almost 13 million college students. In other words, 50 per cent of funding for U.S. students' postsecondary education is provided by the federal government through grants and loans (US Department of Education, 2011).

In 2010-11 the National Institutes of Health, the National Science Foundation and the Department of Energy's Office of Science – which provide the bulk of federal R&D funding to universities – had budgets of \$30.7 billion, \$6.8 billion and \$4.9 billion respectively (AAAS, 2011a). Federal support for research has grown steadily over time from around \$20 billion in 1970 to almost \$60 billion in 2005 (AAAS, 2011b).

b. Federal Budget Cuts

The 2011 federal budget Continuing Resolution, passed in April 2011, includes \$38 billion in cuts. These reductions include \$8 billion in reductions for the State Department, much of it in foreign aid, and \$377 million in cuts to U.S. contributions to the United Nations and international organisations. The National Science Foundation will receive \$53 million less than last year's \$6.9 billion, and the National Institute of Health will suffer a reduction of \$260 million. (Rucker, 2011; O'Keefe, 2011). These cuts are far less severe than those approved by House Republicans in the spending bill passed in February 2011. An even more intense battle has begun over the 2012 budget; with Republicans proposing far more severe cuts to achieve major savings.

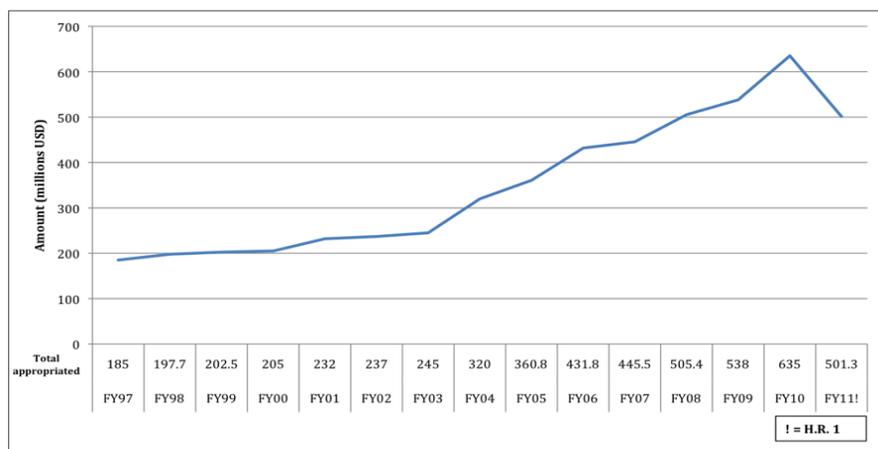
c. Federal Education and International Education Funding Cuts

In the Education Department, Pell grants, the largest source of need-based aid to U.S. students and a priority of President Obama's, were preserved, including the \$5,550 maximum per-student grant. However, the budget saved an estimated \$35 billion over 10 years by cutting the "year-round Pell," which allows students to receive two separate grants if they attend college year-round (Field, 2011). Because summer study abroad is often funded using summer Pell grants, it is likely that fewer US students will study abroad during the summer, especially minority students who are more dependent on financial aid (McMurtrie, 2011).

The United States has no national policy on internationalisation, although there have been calls to develop such a policy (NAFSA, 2007; Leventhal, 2011). The relatively modest federal support

that exists for international education is spread out through several federal departments (including the Department of Education, Department of Defense, U.S. Agency for International Development, State Department, the Department of Agriculture, National Institute of Health, National Science Foundation) so that identifying funding for internationalisation as well as budget reductions is difficult. The most visible programs are faculty and student exchange programs in the State Department, which face 2011 reductions of about 5.5 per cent, from \$635 million in 2010 to about \$600 million in 2011. Chart 1 outlines trends of the State Department's support for exchanges.

Department of State exchange appropriations, FY 1997-2011



Source: *The Alliance for International Education and Cultural Exchange*

Although the Obama administration has been very supportive of exchanges, including declaring an unfunded goal of sending 100,000 U.S. students to study in China, the funding has not followed the positive commitment.

The Department of Education sponsors small, but important, programs to support internationalisation. Deep cuts (\$45 million or 40 per cent) have been made to Title VI and the Fulbright-Hays Program in the Department of Education for 2011, which were funded at approximately \$125 million in 2010 (NAFSA, 2011). The Fulbright-Hays Program primarily supports doctoral students to conduct research overseas. Title VI supports a variety of academic centres at American universities, including Language Resource Centres, National Resource Centres, and Centres for International Business Education and Research. There are more than 150 of these centres at universities across the country. Additionally, the Department of Education sponsors institutional collaborations with Brazil, the European Union, Russia, and the North American Mobility Program—all of which are to be phased out in 2012. Additionally, the general competition for the Fund for the Improvement of Postsecondary Education (FIPSE), which provides funding for campus internationalisation initiatives, has been suspended for 2011, due to budget cutbacks.

The U.S. Department of Commerce has assumed a role in promoting U.S. higher education abroad and facilitating higher education as an export (Fischer, 2011). Its trade specialists in its 100 domestic offices and experts in U.S. embassies include higher education in their portfolio and advise colleges and universities on doing business abroad. Commerce Department officials

in state offices host delegations of foreign educators, organise webinars to advise U.S. institutions about international markets, hold virtual student fairs, and organise trade missions dedicated to higher education.

d. State Budgets

The National Association of State Budget Officers (NASBO) describes 2009 and 2010 as “two of the most challenging years for state budgets since World War II” (NASBO, 2010).

To close budget gaps, 39 states made 18.3 billion in cuts to their 2010 budgets; 2010 state general fund spending was 6.2 per cent below the fiscal 2008 level. Snapshots of the state budget picture follow:

- Although about a 5 per cent rise in state spending is forecasted for FY 2011 (based on budgets enacted by 35 states as of December 2010), 14 states made \$4.0 billion in cuts to their 2011 enacted budgets (NASBO, 2010).
- In 2012, budget gaps are projected in at least 31 states and Puerto Rico, totalling \$86.1 billion; 19 states reported gaps of 10 per cent or more (NCSL, 2011)
- Severe problems are foreseen in 2012 with the end of the American Recovery and Reinvestment Act of 2009 (“stimulus funding”) that provided funds to states to meet their shortfalls in state and local revenue (\$107 billion in 2009 and \$89 billion in 2010) (NASBO, 2010). Chart 2 illustrates the situation in three states.
- In fiscal year 2010-11, out of the 23 states that made mid-year cuts, 18 states cut higher education. Although not all state budget offices have completed forecasts, thus far 33 states are reporting \$75.1 billion in budget gaps for fiscal year 2011-12 and 21 states are reporting \$61.8 billion in budget gaps for fiscal year 2012-13 (NASBO, 2011).

	New York	California	Ohio
Stimulus funding for HE (2009-11)	\$127 million	\$1.5 billion	\$564 million
Recent higher education budget cuts	Prior to 2011-12, system funding was reduced by about \$1.1 billion. The 2011-12 budget includes an addition \$289 million in cuts, bringing the total cuts to \$1.4 billion	In the UC system, more than 108,000 faculty and staff were required to take 11 to 26 furlough days, amounting to a salary reduction of 4 per cent to 10 per cent over 12 months, saving \$184 million in payroll, beginning 30 Sept 2009. At CSU, all full-time faculty took 24 unpaid furlough days in FY 2010, equal to a 10 per cent pay cut, and a \$275 savings in payroll. State aid to UC and CSU systems was reduced by \$2.0 billion in 2010, and community colleges were cut by \$695 million (6 per cent)	In 2010, state aid to higher education was reduced by \$170 million.
Outlook	The Chancellor seeks to raise tuition, which is relatively low compared to other states.	The governing body has authorised the UC system to admit more out-of-state students, including international students, to meet university budget shortfalls.	In March 2011, the governor recommended a 1 per cent increase in funding for instruction for public institutions for 2012 and 4 per cent for 2013. Tuition increases will be capped at 3.5 . Overall H.E. spending, however, would be reduced by 10.5 per cent.

Sources: Cohen, 2011; Kelderman, 2011; Kelderman, 2011a; Governor Cuomo announces, 2011; Bradley, 2011; NCSL, 2010; NCSL, 2011a.

e. State Cuts to Higher Education Funding

Some analysts maintain that this recession is different from previous economic downturns and that higher education will never return to business as usual. They assert that “the [higher education] cost model is broken and that the classic ‘muddling through’ strategies of cuts and tuition increases are no longer an acceptable strategy, especially because they result in decreased access for low-income and first-generation students” (Jones and Wellman, 2010). In nearly every state, these are precisely the strategies being used; budget cuts for higher education have resulted in staff furloughs, layoffs, cuts in student aid, or program reductions (Rafool, 2011). For example:

- The Kentucky higher education budget was cut by 1.5 per cent in 2011, Nevada by 6.9 per cent, and Oklahoma by 3.3 per cent (NCSL, 2011a).
- Announced program cuts included foreign language majors at SUNY Albany, German at the University of Nevada at Reno, and the School of Journalism and Mass Communication at the University of Colorado. Louisiana will cut 109 programs and consolidate another 189 (*Chronicle of Higher Education*, 2011). According to a Nevada official should the Governor’s proposed 2012 budget pass, it will result in the closure of 29 academic colleges, schools, departments or centres, the elimination or suspension of 8 academic programs, the elimination of 36 academic degrees, and the elimination of 600 course sections (Donoghue, 2011a).
- Faculty and staff experienced furloughs in Oregon, Maryland, and California. (NCSL, 2011a).
- Over a three-year period, the University of Washington’s budget was reduced by \$132 million – a 33 per cent reduction in state support. (Donoghue, 2011).
- Many states and institutions have responded with tuition increases; in 2010, California tuition (called “fees” in California) will rise 32 per cent for California State University and University of California undergraduates, to be phased in over two years (NCSL 2010). In 2011, Florida increased tuition by 15 per cent, Georgia raised tuition at community colleges by 4 per cent and by 16 per cent at research universities; Nebraska’s hike was 5 per cent; and the University of Washington’s was 14 per cent (NCSL, 2011a).

As noted above, tuition increases are a major issue for U.S. higher education. There is great public anxiety about the affordability of higher education, at the same time that tuition increases are a major strategy for filling the budget gaps created by state cuts. According to the Delta project, in 2008 public research universities funded more than half of their costs through tuition revenue, and other four-year institutions were at about 50 per cent. It is likely that that percentage has risen since 2008 (Lewin, 2011). Steep tuition increases, such as 30 per cent in the past two years in California, jeopardise access for poorer students.

2. State Policy Issues

Education is widely viewed as an engine of economic development through workforce preparation, research and innovation, and employment. To the extent that international students do not compete with domestic students for higher education places, they are viewed as a revenue source for the institution and the state. One analyst notes that the estimated revenue from international students in the United States at \$20 billion is understated (Ruby, 2010).

However, some states have caps for international students, such as North Carolina at 18 per cent.

Increasing autonomy is an issue at many public institutions, sometimes seen as a quid pro quo for reduced funding. Such requests have been met with mixed reactions by legislatures. For example:

- In 2005, the Virginia legislature granted universities more autonomy over capital building projects, procurement, and personnel in exchange for detailed plans and accountability measures and restrained growth in tuition. However, the past year has seen steep tuition increases of 7.5 per cent in four-year institutions and 7.8 per cent in two-year colleges (University of Virginia, n.d.; Hobbs, 2010)
- There is discussion underway of splitting the flagship research Universities of Wisconsin-Madison and Connecticut from their respective state systems to permit them greater flexibility in advancing their missions, but as of yet there is no political consensus on moving ahead (*Inside Higher Education*, 2011).
- Louisiana and Oregon are also undertaking similar examinations of state system structures (Rafool, 2011).
- The State University of New York has recently been granted additional autonomy in the purchasing process, although the legislature denied it the ability to enter public/private partnerships more easily and refused to loosen regulations as requested by the chancellor (Kelderman, 2011).
- In 2010, Colorado granted its public universities more autonomy over tuition, purchasing, contracts, and loosened its mandate on the permissible proportions of out-of-state and international students (Colorado General Assembly, 2010)

The Colorado action has caused the University of Colorado to intensify its efforts to recruit both out-of-state and international students. Should legislatures in other states take similar actions to remove limits on the international student population, this would undoubtedly result in intensified international student recruitment.

3. Changing Demographics and Interests of U.S. Students

Traditionally, the typical profile of the U.S. student studying abroad has been full-time, wealthy, traditional age, and female. Today's U.S. student is likely to have at least one of the following characteristics: be a member of a minority group, work while attending college, or be over the age of 25. Some salient characteristics of U.S. students are as follows:

- In 2007, nearly four in ten students were enrolled part-time and 32 per cent were members of minority groups. (NCES, n.d.).
- In 2008, about 40 per cent of students were 25 or older (That population is predicted to grow at about twice the rate of students under 25) (NCES, n.d).
- U.S. students are likely to work: 45 per cent of full-time students have jobs, as do 79 per cent of part-time students. Of the latter group, 44 per cent work 35 hours a week or more (Almanac of Higher Education, 2011).

Furthermore, projections indicate that the college-eligible population of public high school graduates will be even more racially and ethnically diverse and that adult enrolments will continue to grow. According to the National Center for Educational statistics, the number of

public high school graduates in 2019 is projected at about 2,953,000, up slightly from approximately 2,892,000 in 2006-07 (NCES, 2011a).

- The number of white public high school graduates will decrease from 1,883,602 to 1,646,350 as will the number of Black graduates, from 412,640 to 405,370.
- Hispanic and Asian/Pacific Islanders will grow in absolute numbers and as a proportion of all public high school graduates. The former group will increase from 410,443 to 656,080 and the latter from 154,871 to 215,030.

Job commitments limit students' ability to participate in campus life, and especially education abroad. Time and lost wages are likely to be as big an obstacle to studying abroad as cost. The growth in short-term education abroad is no surprise in light of these demographics.

U.S. students are career and job focused, which further influences their choice of majors and experiences abroad. (Almanac, 2011a). For example:

- Three in ten of the students surveyed planned to major in business or professional fields, and the single most important reason cited for selecting the college they attended was that its graduates got good jobs (57 per cent) (Almanac, 2011a).
- Of the approximately 1.5 million bachelor's degrees conferred in 2007-08, the largest single field of concentration was business (335,000) (NCES, n.d.a).

This job-oriented view of education also shapes students' interest in education abroad, so that experiences perceived as enhancing students' job prospects are popular among students. The growing interest in internships abroad attests to this trend.

4. Changing Profile of U.S. Faculty

Two trends in the profile of U.S. faculty have an impact on internationalisation: the aging of the faculty and impending retirements of the baby boomers; and the growing use of part-time faculty. Although there are no recent national data available on the age distribution of U.S. faculty, institutional data and the literature confirm that U.S. faculty is aging, and that in spite of the recession, institutions are hiring new faculty, albeit judiciously.

Anecdotal evidence suggests two effects of the generational turnover. First, the retirement of the small number of faculty highly interested in internationalisation who were shaped by their experiences in the Peace Corps in the 1960s and 1970s leaves a cultural void on campus, as does the retirement of faculty leaders of area studies programs. However, senior international officers interviewed also reported a positive effect of this generational change. They indicated that younger faculty, who were educated in an era of increasing numbers of students going abroad, are more likely to have international experience or be foreign born. Additionally, as graduate students in a different era, they are more likely to be conscious of the impact of globalisation on their discipline. Thus, younger faculty is likely to be more comfortable with internationalisation and more supportive of it than many older faculty members. As Stephen Dunnett, SIO at the University of Buffalo put it, "When I look at the profile of young faculty, my heart is lifted." He estimated that between 30 and 40 per cent of newly hired faculty were foreign born, and noted that, "one doesn't have to sell internationalisation to this generation of faculty."

A second important trend is the growth of part-time faculty and the corresponding decrease in the proportion of full-time tenured faculty. The work of internationalisation falls largely on the full-time faculty; whereas, part-time faculty are less engaged in shaping curriculum, advising students, and engaging personally in international work. According to the *Chronicle of Higher Education*, in 2007, 31 per cent of faculty members were full-time tenured or tenure track, 49 per cent part-time, and 20 per cent full-time non-tenure track.⁴ A decade earlier, 57 per cent of all faculty were full-time and in 1989, 64 per cent held this status. (Almanac 2011b, 2011c). As the proportion of full-time tenured faculty continues to shrink, the work of internationalisation will fall to fewer faculty, who will be stretched thin with other institutional obligations that also fall on them, such as heading departments and committees, and participating in institutional governance.

III. Higher Education's Response

1. The Role of Systems in Internationalisation

Although many public institutions are part of systems, matters of admission, curriculum, and institutional policies and procedures are largely campus matters. Some systems include very diverse institutions, such as New York's 64 campuses that include research universities and community colleges, or Wisconsin, which includes teaching colleges as well as the flagship research university at Madison; others, such as three-tiered California system (University of California, California State Universities, and California Community College System) have homogenous membership. The amount of control exercised by the system office is sometimes a source of tension between campus and system, and "one size fits all" policies applied to institutions within a system are special irritants to flagship research universities within diverse systems.

To a great extent, internationalisation occurs one campus at a time rather than at the system level, shaped by the institution's mission, tradition, and current situation. State policies may set tuition and prescribe the permissible proportion of out-of-state students, but within those parameters, campuses have the freedom to chart their internationalisation course.

Few system offices play a major role in internationalisation and when they do play a role it is primarily coordinating education abroad. The State University of New York (SUNY) presents an interesting exception. (See New York and California case studies).

2. Institutional Climate and Commitment

It is sometimes difficult to separate the public relations rhetoric from the reality, but campus internationalisation leaders interviewed noted a positive and receptive climate on campus, with high student interest in education abroad, strong presidential leadership, and a willingness of the faculty to engage in activities that enhance internationalisation.

⁴ These figures vary by institutional type, with the highest proportion of full-time tenured or tenure track in bachelors' institutions (52 per cent) and the lowest in community colleges (17 per cent) (Almanac 2010, 2010a).

3. Presidential Commitment

Peter McPherson, president of the Association of Public and Land Grant Universities (APLU), notes that interest in internationalisation is very strong among member presidents, even in the face of severe budget problems. Indeed, in recent years it has become somewhat of a cliché for newly appointed presidents and provosts to stress the importance of internationalisation to the institution's future and to announce a commitment to expanding its global reach. In spite of –or perhaps in reaction to – the economic downturn, some university leaders are increasingly emphasising the importance of a coherent international strategy. Ohio State University President Gordon Gee, discussing the need for universities to invest in meaningful international cooperation at the unveiling of OSU's new office in Shanghai, China, said: "When times are flush, we are apt to spread the wealth around like marmalade. But when resources are tight, our hand is forced, and we must make real, strategic decisions about future directions, about programs for investment and disinvestment, and about how we meet today's enormous challenges." (Gee, 2010)

4. The Changing Role of the Senior International Officer (SIO)

A notable recent development is the change in the role, credentials and positioning of the SIO within institutions. Ohio State University, Bryn Mawr College, the University of South Florida and the SUNY System have created senior-level positions within the last two years, generally reporting to the provost, but also advising and having access to the president. The "new" SIO is now more commonly a member of the faculty or someone with other senior level experience, and is sometimes situated in the office of the president or with a dual reporting line to the president and the provost. He or she is involved at the highest levels in integrating internationalisation into the overall mission and strategic plan, and developing partnerships and other connections that go beyond study abroad or exchanges. As institutions get more deeply engaged in strategic internationalisation, the role of the SIO seems to be developing into a more central position at a more senior level. Perhaps reflecting the changing nature of the SIO's more strategic role, the names of the international offices are also changing. For example, the traditionally named "Office of International Programs" at University of Minnesota recently became the "Office of Global Programs and Strategy Alliance."

5. Staffing, Funding, and Role of the International Office

The budgetary fate of the international office is tied to the overall financial health of the institution, and interviews with SIOs revealed a wide range of budgetary situations and effects on international offices. Most offices experienced no greater hardship than other institutional units; others were somewhat protected. In the University of California system, where cuts have been draconian, the international office has suffered commensurately. All expressed anxiety about further institutional cuts in 2011-12. The Universities of Colorado and Minnesota and Ohio State University have not been required to cut the international office budget or staffing over the past two years, but in 2011-12, Ohio and Minnesota expect budget cuts of five to ten per cent and up to 13 per cent respectively. Minnesota plans to absorb the coming cuts through staff attrition, a solution also adopted by SUNY Buffalo.

Universities in the University of California system have already seen significant cuts. Bill Lacy, SIO at the University of California at Davis (UC Davis), reports that his office budget was cut by 30 per cent in 2010-11, and that he expects additional significant cuts again this year. Some believe that California's dire fiscal situation is a structural problem that cannot be resolved

without amending the California constitution to reform the process for taxing and spending (Economist, 2011).

Some universities are expecting the international office to expand existing sources of funding or create new ones. The severe cuts in the international office budget at UC Davis have forced the office to rely more and more on income-generating activities to balance the budget, and study abroad and visa fees for international students and scholars have been increased. Several SIOs interviewed pointed to study abroad fees and English language programs that provide flexible revenue to serve as a cushion. Colorado State University's international office supplements its budget with a portion of the revenue stream generated by tuition from the international students they recruit through new channels such as dual degree programs, agents, and strategic partnerships (AIEA Listserv, 2011), and the University of California's system-wide study abroad office has suffered repeated cuts and under a newly announced budget model will be entirely supported by student fees as of the 2013-14 academic year (UCEAP, 2010).

Some institutions are reorganising or reallocating funding and others are providing supplementary funding for international activities, even as cost saving measures are instituted in other units. The University of Arizona has reorganised its international efforts, promoting cooperation across several offices that used to work independently, which has also helped in international recruiting efforts. The central administration at Ohio State University is simultaneously consolidating the academic units under fewer deans to reduce costs while investing in a new office in China to better form strategic alliances with global corporate partners.

6. The International Education Professional Associations

Another indication of the growing centrality of internationalisation at American universities is found in the international education professional association membership and attendance at their meetings at a time of declining resources and restrictive university travel policies; a number of states limit out of state travel as a cost-saving measure. Despite a tight budget climate, The Forum on Study Abroad reports a 15-20 per cent annual growth in membership in recent years, with membership now standing at 520 institutional members. AIEA reported more than a 20 per cent increase in attendance each year for the last two annual meetings and almost a 100 per cent increase over the past five years from 371 to 701 registrations. Attendance at NAFSA, the largest of the international education conferences, spiked sharply in 2008 and 2011, when approximately 9,000 attended, but otherwise held steady at about 7,300 attendees from 2007-10. As more universities strive to professionalise their international education operations and find new sources of revenue and ways to distinguish themselves from their competition, one can surmise that they will see value in investing in the professional development of their international office staff.

7. Intensified Interest in Recruiting International Students

From the University of California at Davis to small private colleges such as Nazareth College, many U.S. institutions now see recruiting more international students as one solution to their fiscal woes. Other reasons include internationalising the home campus and diversifying the student body. Nazareth, with 2200 students, has translated its brochures into Chinese and Arabic to market the institution abroad.

Although they were at different starting points, every institution contacted for this report noted that recruiting international students was important. The University of Arizona is intensifying efforts to make up for lost ground in the past several years. The University of Colorado recently hired a consultant to develop a strategy to increase its relatively low international student enrolment, and is now weighing options for implementation of the consultant's recommendations. It has set specific numeric targets. Ohio State University set a goal of increasing its international student and scholar population by 50 per cent from 3,600, well within the Ohio Board of Regents suggested limit of five to eight per cent of the overall student body. The University at Buffalo established an office on international enrolment management about eight years ago, and now has about 5,000 international students and has met its target of 15 per cent for international enrolment.

In a change from past policy, the University of California institutions have been given a mandate by the Regents to increase the number of international students. However, this year for the first time, the University of California system will not fund the difference between tuition revenue and the actual cost of educating an in-state student. Furthermore, the Regents have announced that it will not provide any funding for approximately 1500 students at UC San Diego and thousands of students at other UC system institutions. A recent Regent's report affirmed increased enrolments of out-of-state undergraduate and international students as a strategy for replacing lost state support. (Regents, 2011)

A number of years ago, University of Minnesota set an international student recruitment goal of five per cent for the Twin Cities campus, which it attained in 2010, sooner than expected. According to their SIO, Meredith McQuaid, there has been little recent discussion among the senior campus leadership about increasing the number of international students beyond the five per cent target. Although there are many possible causes for Minnesota's increased international enrolments, one likely cause was the decision made several years ago to reduce the tuition for out-of-state residents, including international students, to resident tuition plus \$4000, a rate significantly lower than other public research institutions in the United States. Due to recent reductions in the university's budget by the state, Minnesota's out-of-state tuition is likely to increase by \$1,000 to \$2,000 per year in the fall of 2012, which could reduce the number of international applications. The University of Minnesota's tuition rates for international students vary depending on the campus. At the Morris campus, international students currently pay the same rate as in-state students. See <http://www.morris.umn.edu/internationalstudents/tuitionfees/>. Colorado State University gives international students from their strategic partner schools \$8000 in scholarships to make it more attractive. (AIEA Listserv, 2011)

Many U.S. universities are focusing on Asian students, particularly Chinese. *Open Doors* reported that in the 2009-10 academic year, 18.5 per cent of all international students in the U.S. came from China, and 36.4 per cent came from five Asian countries (IIE, 2010). Colorado State University has opened an office in Shanghai with three part-time staff and may open other offices in China. These offices are funded by a special budget allotment that supplements the \$45,000 general international recruiting budget (AIEA listserv, 2011). The SIOs of the University at Buffalo and Northeastern University reported considerable growth in enrolment of freshmen Chinese students this year. OSU's Chinese student population recently increased so significantly – approximately 33 per cent – that it intends to place more emphasis on increasing the quality of their Chinese students and expanding recruitment in the Middle East, Latin America, and Turkey.

As they waded into this brave new world of expanded international recruitment, institutions are grappling with a new set of issues and options. They may choose to do it alone, work collectively, hire agents, or partner with one of the relatively new providers that combine recruiting with a bridge program to help students transition successfully to the U.S. higher education system. Many institutions have limited expertise in international student recruitment and little or no travel budget.

Even the largest U.S. universities have very few in-house international recruiters. The University of Minnesota and Indiana University, leaders in international education, each has one international recruiter (AIEA Listserv, 2011). However, as noted below, research universities still seem determined to use their own recruiting staff and networks rather than agents. Recognising the expertise needed for successful international recruitment, the University of Colorado at Denver's Office of International Affairs, hired its own recruiters; they work independently from the domestic admissions office. At other institutions, such as Colorado State University, the international office works cooperatively with the admissions office, and The University of Alabama relies on informal recruitment through its English Language Institute (AIEA Listserv, 2011).

8. Collective International Marketing and Recruitment Efforts at the State Level

Nearly half of all U.S. states now have websites to market to international students. This trend started approximately ten years ago with www.StudyWashington.org and www.Studyoregon.org. Other states followed, and Study New Jersey and Study Ohio were formed in the last two years (Fischer, 2011a). In the absence of a nationally coordinated U.S. outreach effort, the idea of state-wide initiatives has rapidly spread as a cost effective way for institutions to pool their resources and efforts and enable even smaller or less well-known colleges to reach students around the world. To assist with the effort, the U.S. Commerce Department has reserved the URLs for all 50 state-association websites, according to Jim Paul, a Commerce Department official in Boston (Fischer, 2011a).

"The models vary, but the groups generally engage in cooperative marketing and student-recruitment ventures such as sponsoring shared booths at student fairs overseas, joining forces to travel abroad, collaborating on promotional Web sites, and jointly playing host to visiting delegations of foreign college counselors" (Fischer, 2011a). For example, www.StudyWashington.org is presented in six foreign languages, an expensive venture that many schools might not undertake on their own.

It is unclear how successful these joint efforts are in recruiting international students, but they are cost-effective and participants see them as valuable.

Another relatively new collaboration is the relationship between state international trade offices and U.S. educational institutions. Some of these state associations, such as the new Ohio's and Maine's, were formed with help from state-funded offices of economic development, while others are funded by modest membership dues (Fischer, 2011a). Universities are increasingly seen by state governments as engines of economic development, and they are including university officials in their international trade missions as they seek business partners to invest in their states.

NAFSA highlights the economic impact of international students by reporting data on a state-by-state basis. (NAFSA, n.d.). Pennsylvania and Ohio post business development agents in

locations abroad to help businesses from their states, including universities, do business abroad. As the states and universities understand each other's capacities more clearly, it is possible that these collaborations will become more sophisticated, improve the recruitment of international students, and enhance partnerships between universities and global industries.

9. Use of Agents to Recruit International Students

Although the use of agents is well established in the United Kingdom, New Zealand, and Australia, U.S. institutions have been reluctant to hire them. The economic pressure on universities has pushed to centre stage the U.S. debate about using agents. (Ruby, 2011). The debate continues despite the fact that the use of agents is so well established that it approaches the norm in some cultures, such as China, from which a majority of U.S. international students are drawn. According to a recent *Inside Higher Ed* article, 85 per cent of the international students surveyed reported consulting an agent before coming to the United States (Shay, M., 2011; Fischer, K, 2011c).

Objections to the use of agents are fuelled by reports of abuses, unease over the commission structure, and conflicting positions held by U.S. government agencies (The Department of State, unlike the Department of Commerce, refuses to work with agents.) Federal regulations ban the use of recruiters for U.S. students receiving financial aid, although there are no such restrictions with respect to international students. Additionally, some public universities are prevented from paying commissions for international students by state spending rules (Fischer, 2010). The result is a perfect storm of confusion and mistrust.

But attitudes are changing. "There's clearly an acceptance of agents or counsellors that there wasn't five years ago, or even a year ago," says Marlene Johnson, chief executive of NAFSA (Fischer, 2010). One organisation, the American International Recruitment Council (AIRC) (<http://www.airc-education.org/>), with more than 100 college and university members, sets professional standards for agents, taking the position that agents are already an essential part of the U.S. landscape.

Most research universities are flatly opposed to using agents. Ohio State and the University at Buffalo have long-standing policies against using agents. Both have the infrastructure and the resources to develop an overseas recruiting strategy, relying on alumni and an international admissions professional staff. Using agents is a more likely strategy for institutions trying to recruit abroad with fewer resources and less name recognition. A recent white paper published by the AIRC argues that it is beyond the resources of most universities to develop the expertise and the staff to recruit at the same time in multiple national markets with very different cultures and expectations. (Peterson et al, 2011).

The University of Mississippi concurs; it signed on with IDP, an agent, as one of 11 U.S. 'charter partners.' In turn it gained representatives in 70 cities in Asia without investing in in-house staff. The fact that IDP met AIRC standards was important to Mississippi (Fischer, 2010). The interest in agents appears to be growing. ICEF, an organisation that matches agents and colleges, reports such strong interest in its services that it had to add an additional information session at a conference. (Fischer, 2010). However, Hobson's just announced that it is pulling out of the international student recruitment market. Among the reasons it cited was the unwillingness of institutions to pay the premium required to sustain their business model – beyond the 10 per cent of the first year tuition charged by most recruiting agents (Fischer, 2011b).

Still, IDP reports that it has been difficult to overcome the bias against agents in the United States and that most of their clients are small, less-selective private colleges. IDP “is ‘aggressively approaching’ a target group of 250 institutions, mainly low-priced public universities and very selective colleges” (Fischer, 2010).

Although it is difficult to know the extent to which U.S. institutions are quietly using agents, it is highly likely that as institutions continue to face financial pressures, and in some states declining numbers of high school graduates, more will turn to agents to help expand their international student populations.

10. Private Sector Partnerships to Recruit International Students

The interest in attracting more international students has spawned the latest chapter in private sector partnerships: arrangements between universities and private companies to recruit international students for pathway programs. INTO, Kaplan, and Navitas are the three major providers, with rather different models.

These companies differentiate themselves from traditional international recruiting agents because they enter into longer-term agreements with the schools and partner with the institution to provide pre-matriculation academic enrichment programs. This deeper engagement gives them a greater stake in the success of the students they recruit than traditional agents, whose responsibility ends once the students enrol.

Two research universities have entered partnerships with Kaplan (Northeastern University and the University of Utah, and two with INTO; Oregon State University and University of South Florida. Navitas’ five partners are less research-intensive universities, including the Universities of Massachusetts at Lowell, Dartmouth, and Boston; Western Kentucky University; and the University of New Hampshire.

The pathway partnerships have generated controversy because they are seen by some as ‘outsourcing’ academic programming, even though INTO and Kaplan maintain that the partner university retains full academic control of the academic program taking place on the home campus (Fischer, 2010).

Another example of such partnerships lies in a 2 plus 2 program with a for-profit provider. Kaplan’s U.S. Sino Pathways Program (USPP) enables students to study for two years in China at a Kaplan College, using a curriculum developed by a consortium of U.S. universities, before transferring to one of their partner universities in the United States to complete the degree.

It is difficult to predict the future of such public/private partnerships. The well-known research universities are generally resistant to such ventures. It is possible that as private providers develop track records with high profile universities, others will become more comfortable with such arrangements. Oregon State University’s provost says he has “no regrets” about signing with INTO and expresses surprise that more universities have not done so (Fischer, 2010). Another possibility is that the less prestigious and less well-known institutions, with limited capacity and funding for marketing and recruitment of international students, will be more likely to enter into such partnerships

11. Effective International Partnerships: More Expectations and Greater Sophistication

National higher education meetings and interviews with SIOs point to a trend toward fewer and more strategic international partnerships. This development seems to be the result of greater experience in managing overseas partnerships in the academic community, declining resources, and perhaps lessons learned from some high profile failures.

Institutions are reviewing—and tightening—their processes for vetting and approving agreements, seeking to ensure that they align with institutional priorities for internationalisation and to aggregate resources into fewer initiatives that are likely to have a greater impact. Assuring that there is sufficient funding to make the cooperation real is a priority. As one SIO put it “We don’t sign an MOU without a budget.”

To justify the expense, effort, and risk, the new university partnerships abroad need to be focused, strategic, result-oriented, and calculated to produce meaningful research and educational cooperation, according to Dieter Wanner, Associate Provost for Global Initiatives and International Affairs at OSU. Such partnerships may bring U.S. and foreign universities together to work sponsored research projects supported by U.S. and overseas industry and/or foreign governments.

Being strategic takes many different forms, from setting up an office abroad to establishing a full-fledged campus abroad. For example,

- Indiana University-Purdue University Indianapolis (IUPUI) has a 25-year cooperation with Moi University in Kenya rooted in collaboration between their medical schools around HIV/AIDs research and treatment. They are now deepening and extending the partnership to include many other programs within their universities. IUPUI is now trying to replicate this model with other international partners.
- For the University of Arizona, cooperation with Mexico is a central element of its global engagement, and the appointment of an Assistant Vice president for Western Hemispheric Relations points to their geographic strategy. However, UA’s global interests extend beyond Mexico and Latin America.
- Ohio State University plans to invest in gateway sites—expanded, multi-purpose partnerships described above. (See OSU case study).
- The University at Buffalo was one of the first U.S. institutions to develop relationships with China in the 1980s, educating hundreds of Chinese faculty in Buffalo; it maintains a strong focus there.

After a period of robust growth, U.S. universities continue to explore establishing branch campuses abroad (Jaschik, 2011). However, they may proceed with more caution after the high profile branch campus failures of George Mason and Michigan State Universities. (Stripling, 2009; Redden, 2010). Duke recently commissioned a study on the planned Duke-Kushan University partnership and learned that a basic assumption of their business plan (and that of many other U.S. universities) is flawed. It found that Chinese students are not willing to pay a premium price for U.S. degrees delivered in their home country; rather, they want to experience living in the United States and are sceptical of the quality of U.S. degrees delivered away from the U.S. campus. (Kiley, 2011).

IV. Conclusion

Although it is difficult to generalise across more than 4,000 degree-granting accredited institutions, it is safe to say that most U.S. institutional leaders acknowledge the importance of internationalisation, at least in word. However, internationalisation has different meanings to different institutions and individuals. For some, it means the presence of international students, for others participation in study abroad. Some institutions are most concerned about their “global footprint” and presence abroad through branch campuses or programs offered abroad. Progress is also variable. Some institutions, and certainly the public research universities, are well beyond the rhetoric stage, especially in the internationalisation of research. Internationalisation of teaching and learning is also highly variable, more easily accomplished in teaching-oriented institutions.

Strong interest in internationalisation and commitment to advancing its many dimensions are clear trends at public research universities. The impact of the budget crisis on international operations has been varied, ranging from severe cuts in California to offices that were relatively protected (such as OSU and Minnesota). But the near-term future is uncertain; the end of the Stimulus money is likely to cause further reductions in 2012 budgets and cuts in federal internationalisation programs, though modest to begin with, will undoubtedly hamper institutional internationalisation efforts.

Institutions are coping with the economic downturn by using a time-honoured mix of revenue generation and cuts. Recruiting international students is receiving greater attention as a revenue source; furthermore, they are a necessity to fill graduate programs in science, technology, and engineering (STEM) fields. Universities are in different stages of the quest for more international students, with some relatively new to the effort and focusing on increasing numbers, and others, with large numbers of international student populations, more concerned about geographical diversity and quality.

Most institutions are undertaking these marketing and recruiting efforts in the traditional way—through websites, use of alumni abroad, dedication of institutional staff to international recruiting, and better internal coordination of the several offices involved. About half the states have a state-wide organisation to market its institutions internationally. Research universities seem to be philosophically opposed to employing agents, and partnerships with private sector organisations such as Kaplan, INTO, and Navitas, but institutions with fewer resources and lower profiles appear to be more accepting. Should the research universities not be successful in their solo efforts to recruit international students, this could change.

International offices are increasingly seen as a cost centre. Study abroad fees have provided a consistent source of support for international offices and sometimes other internationalisation activities. Institutions are scrutinising their cost models for study abroad to ensure that education abroad is at least self-sustaining if not revenue generating.

The next few years are likely to reveal whether the current crisis is indeed another cycle or if U.S. higher education is indeed in an era of a “new normal.” No matter how dire the funding situation, it is unlikely that U.S. higher education institutions, especially research universities, will retreat from expanding its international focus.

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VI. Appendices

APPENDIX 1: RESEARCH METHODOLOGY

Information for this report was gathered from interviews with expert informants, publications, and web resources. The authors interviewed 22 experts in international education from academe, major U.S. international education associations, government, corporations using questionnaires developed for this project. Extensive research was conducted, using publications and web resources on state and federal budgetary matters, trends in higher education in the U.S., and other relevant issues. Four recent reports AEI commissioned on related topics provided general background. All case studies were reviewed for accuracy by the institutions and interviewees.

The institutions selected for the case studies are public research universities. They were selected because public institutions have been the most affected by the economic downturn and the research universities are heavily engaged in internationalisation. The systems and universities represented populous states and provide clear examples of the major trends that emerged in the course of the research. Although the emphasis on recruiting more international students seems almost universal among U.S. institutions of higher education, the large research universities receive a disproportionate share of international students coming to the United States. Many of the smaller schools are relatively new to the field, thus not able to provide much data or reflection on this important issue. Additional reasons for selecting institutional leaders to be interviewed or featured in the case studies are as follows:

- California, Ohio and New York states have all received cuts in higher education funding. However, the cuts vary in degree, and internationalisation strategies pursued were quite varied, illustrating the differing impact of the economic crisis on higher education across the U.S.
- All of the institutions have sophisticated leaders who embrace international education and have long-standing, well-developed programs, facilitating a comparative discussion of key trends and the reactions of three different institutions or systems.
- All have significant international student populations, a case study selection criterion specified in the research brief.
- All have significant study abroad programs and numbers of students going abroad, allowing trends to be identified.

APPENDIX 2: CASE STUDY: OHIO STATE UNIVERSITY

With an enrolment of 64,000 students, The Ohio State University (OSU) is the largest public university in the United States. It is also a leading land grant university, created under the Morrill Act, with the historic mission of promoting economic development through research and applied science. Despite significant financial difficulties at the state level that have resulted in budget reductions throughout the state government and OSU, the university plans to move forward with its ambitious internationalisation agenda. It has invested significant thought and funds into pursuing an internationalisation strategy that goes far beyond the recruitment of international students.

With the recent state budget proposal, the funding picture for Ohio higher education has changed, and along with all state funded operations, public institutions will more than likely experience budget constraints.

The Office of International Affairs at Ohio State may feel the impact of future budget cuts. The OSU 2011-12 budget has not yet been announced, but given cuts at the state level all OSU units have been told to expect a five to ten per cent budget cut for 2011-12.

OSU Invests in Strategic Internationalisation in an Era of Diminishing Resources

OSU has invested in strategic internationalisation during a time of declining resources. “Internationalisation is one of the key initiatives at OSU and all the stars are in alignment” for OSU to make great progress on its international agenda, according to Dr. William Brustein, Vice Provost for Global Strategies and International Affairs. There is ample evidence to support his statement, although he acknowledges that funding uncertainty lies ahead.

President E. Gordon Gee and Provost Joseph A. Alutto support internationalisation with rhetoric, funding, and action. Gee is a dynamic president whose concept of internationalisation goes beyond the traditional dyad of study abroad and international students as the sum of international engagement. He has an expansive vision of OSU working with leaders of industry, academia, and foreign governments to export the OSU name and expertise abroad. According to Dr. Dieter Wanner, Associate Provost for Global Strategies and International Affairs, “OSU wants to be a player internationally and contribute to solving the global problems that require a coalition of institutions to work together.”

OSU created a new senior-level position of chief international officer two years ago. Vice Provost for Global Initiatives and International Affairs, William Brustein, has an office on the same floor as the president, and reports to the provost with a dotted line to the president. He has been charged with developing strategic initiatives for internationalisation and has assembled a committee of deans and vice presidents to work with him on OSU’s global agenda.

As OSU pursues its vision to become a global university, it has determined that it must make an investment in internationalisation, which includes the following:

- In 2010-11, the Provost used his discretionary funds to replace the university’s reduction to the international general office budget.
- The Provost also provided \$600,000 in funding for the OSU Gateway in China (discussed more below), and plans to continue support over the next 12 years, reducing the amount by \$50,000 per year.

- The OSU fundraising campaign highlights scholarships for study abroad.
- The Office of International Affairs has appointed a Director of Global Gateway Initiatives and plans call for an additional financial staff position to manage business operations for the Gateways.
- With the switch from a quarter to a semester system, the May session is being viewed as a prime opportunity to engage students in studying abroad.
- OSU has also reallocated existing funds, and has been successful in leveraging funds from other units (i.e. Office of Research and Undergraduate Education) to provide grants for faculty and students in the Gateway countries.

Funding support from several OSU colleges and vice presidential units has been committed to launch the India Gateway in the near future

Establishing the OSU Brand Abroad: OSU Gateways

A distinctive element of OSU's global strategy is its plan to establish Gateways around the world in locations that capitalise on the strengths of Ohio State's existing global connections. The Gateways establish an OSU presence in the host country that is tailored to the opportunities available there. Unlike many institutions with sites abroad, OSU will not focus on delivering classroom instruction or degrees abroad. The Gateway in Shanghai, China is the only Gateway established to date, although planning is underway for one in Mumbai, India. Additionally, Gateways in Brazil, Turkey and eventually the Horn of Africa are under discussion.

The Gateways will serve as a base of operations for faculty research, teaching, and international partnerships; a portal for study abroad opportunities; a location for international student recruitment; a centre for executive and corporate training; a new way to partner with Ohio-based businesses operating in global markets; and a point of contact for alumni to strengthen their connection to Ohio State.

The Gateways will also create revenue-generating programs and services to the corporate community. Plans call for executive training programs, taught by OSU experts, to share information and knowledge with the corporate community in Gateway regions. Training programs in the areas of food safety, supply chain logistics, engineering and computer science, among others are planned. Programming will depend on the Gateway locations and special interests of area businesses. The Gateways will also facilitate the placement of OSU student interns and recent graduates in high-demand fields such as engineering and computer science abroad.

To highlight the OSU brand and increase its visibility, OSU decided to house the China Gateway in an office building in Shanghai, rather than on one of the campuses of OSU's 38 Chinese university research partners. The one staff person in the China Gateway office oversees several interns, directs alumni activity, works with partner universities, handles logistics for OSU internship and study abroad programs, develops corporate training programs, and assists with other OSU projects in China. Although recruitment is not her primary job, she is involved in these activities.

The Gateway in India will provide similar services to those of the China Gateway, but will not be supported by OSU operating funds. Instead, operating funds are being sought from OSU deans, corporate sponsorships, and alumni. An alumnus already has provided free office space

in Mumbai, and other community connections are being developed. For more information see <http://oia.osu.edu/gateways.html>

Other OSU Internationalisation Efforts

When it had 3,600 international students, OSU set a goal of increasing that number by 50 per cent. With 4,800 international students on campus in 2010-11, it is approaching its goal. OSU's future recruitment efforts will be centered on the Middle East, Latin America and Turkey. Because the Chinese student body has increased from 1600 to 2400 within the last few years, OSU will emphasise recruiting very high quality Chinese students rather than increasing numbers.

The curricular initiatives that are on the drawing board are:

- Amending the general education requirements to enable students to earn up to six general education credit hours by participating in a study abroad program.
- Creating an OSU Passport Initiative, which encourages students to get a passport and take advantage of studying abroad. For information see <http://go.osu.edu/passport>
- Establishing a "Global Option" pilot program to internationalise the learning experiences by incorporating the five global competencies into selected majors. For more information about global competencies see <http://oia.osu.edu/getting-started/faq.html>

APPENDIX 3: CASE STUDY: THE STATE UNIVERSITY OF NEW YORK (SUNY) SYSTEM

The SUNY system is the largest public higher education system in the United States, with 64 campuses, 468,000 students, and a workforce of 88,000. Additionally, it has 160,000 on-line enrolments, 1.2 million in continuing education, and 19,000 international students.

SUNY has been hit hard by the state-funding crisis. State funding for the system decreased by about 35 per cent in the four years prior to the 2011-12 budget, amounting to \$1.1 billion in cuts. The 2011-12 New York State budget, passed on March 31, 2011, reduces state spending by more than two per cent (\$3.6 billion) from the previous year, and includes no new taxes (Governor Cuomo Announces, 2011). It includes approximately \$289 million in additional cuts to the operating budget for the SUNY system, bringing the total to about \$1.4 billion (Kellerman, 2011). The response has included typical austerity measures such as hiring freezes, reductions in course offerings, increases in class size, and limits on enrolments in some programs.

SUNY tuition is quite low compared to other public institutions: \$4,970 for in-state students and \$13,380 for out-of-state and international students. Tuition increases are set by the legislature, which have approved few over the years. However, Chancellor Nancy Zimpher has recently proposed a five-year plan to raise tuition, which will be key in offsetting state revenue losses.

SUNY's international offices have taken their share of cuts and revenue generation has risen on the agenda. At the University at Buffalo, the SIO no longer has an administrative assistant, whose position was lost to attrition. The budgetary situation in New York continues to be very difficult, and the combination of disinvestment in higher education and the unwillingness of the legislature to give SUNY greater autonomy provide a daunting set of challenges to SUNY and its internationalisation efforts.

Internationalisation as a System-Wide Strategic Priority

Internationalisation ("SUNY and the World") was one of six "big ideas" that the new chancellor, Nancy Zimpher, established to guide the future of SUNY when she was appointed in 2009. Campuses have aligned their goals and activities with the larger system goals, and metrics established for their achievement. Among the metrics is the number of international students.

SUNY now has a cabinet-level position of Vice-Chancellor for Global Affairs, created by the chancellor, which reflects internationalisation as a strategic direction for the entire university. The SUNY system is not typical; its size, diversity of its 64 campuses, and active role of the central administration in internationalisation, led by a cabinet-level vice chancellor, distinguishes it from other systems.

As is the case at other public universities, this heightened interest in internationalisation occurs in the context of significant budget cuts. At the same time, the senior international officers interviewed reported that student and faculty interest in internationalisation is high, and that student enrolments in education abroad programs are holding.

Focus on International Student Recruitment

SUNY Vice Chancellor for Global, Mitch Leventhal, supports increasing the international student population at SUNY as a strategy to enhance internationalisation as well as to generate revenue that supports other internationalisation initiatives.

At the state level, SUNY institutions participate in StudyNewYork, an initiative that recruits international students as a state-wide effort, through a website and exhibitions at the NAFSA meeting.

Attracting Turkish Students through a 2+2 Program

At the system level, SUNY has had a successful dual degree program with Turkey developed in 2000 and launched in 2003 through an agreement with the Turkish Higher Education Council, <http://www.suny.edu/InternationalPrograms/Turk2.cfm?navLev=1>.

In the 2009-10 academic year, 28 programs involving 8 Turkish universities and 10 SUNY campuses enrolled 1,864 students. Students spend half of their education at a Turkish university, and half at a SUNY campus. Students typically spend the first and third years in Turkey and the others at a SUNY campus. They receive degrees from both institutions. SUNY has an office in Ankara, <http://www.suny.edu.tr/indexeng.php>.

No similar program of such long duration or magnitude exists at the system level in other states.

A System-wide Initiative to Use Agents

Leventhal is a proponent of using agents and has developed a program to work with campuses on a voluntary basis to coordinate efforts to recruit international students using agents. Some of the revenue generated will be used to support other internationalisation initiatives, including study abroad. According to Leventhal, 30 of the 64 campuses have chosen to participate. Of the tuition revenue collected for each student, ten per cent is paid to the agent, eight per cent to the SUNY Global Affairs central office to support its services to the campuses including study abroad, faculty development, and scholars at risk; and the remainder is kept by the campus. A contract is developed with each participating campus (Chronicle, 2011).

The new arrangement appeals to the SUNY campuses, which have both enrolment capacity and the requisite international student support systems. Campuses that have opted out either have substantial international student numbers already (such as SUNY University at Buffalo with 4,911 international students in 2009-10); are not focused on growing numbers at the undergraduate or professional masters level (SUNY Upstate and Downstate Medical), or have negligible international student experience and lack dormitories and other essential infrastructure (many community colleges).

SUNY New Paltz, a smaller, selective, largely undergraduate institution of 7,885 students, currently has 650 international students, and plans to participate in recruiting students for selected programs. According to Leventhal, the doctoral campuses at Albany, Binghamton and Stony Brook and twenty-six others will also participate.

Coordination of Study Abroad at the System Level

SUNY's system-wide coordinated approach to internationalisation long predates the current leadership and initiatives. Study abroad programs offered by the campuses have historically

gone through an approval process at the system level to avoid duplication within the system, although each campus maintains its own study abroad office. SUNY students may participate in any SUNY study abroad program.

The latest system level initiatives are relatively new, and the results of the system-wide recruiting scheme will take time to unfold, but with the unusually strong support for internationalisation at the very top and a dynamic leader in the new vice chancellor position, SUNY is likely to be an innovator in international education.

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APPENDIX 4: CASE STUDY: THE UNIVERSITY OF CALIFORNIA SYSTEM

The University of California System (UC System), with 220,000 students, 170,000 employees, and a 19 billion dollar budget, is composed of ten research universities, including the well-known University of California at Davis (UC Davis); University of California at Berkeley (UC Berkeley); and University of California at San Diego (UCSD). The system is governed by a Board of Regents, to whom UC System President Mark Yudof reports. Each campus is led by a chancellor.

Over the past three years, the State of California has been repeatedly buffeted by some of the most severe budget cuts of any state, and there may be no relief in sight. The Economist's April 23rd special report on California's finances posited that the state's fiscal problems go beyond the current recession and cannot be resolved without reforming the California constitution to put fiscal levers back in the hands of the legislature (*Economist*, 2011).

The impact of these relentless budget cuts on the ten universities in the UC System has been dramatic. The system was braced for a \$500 million dollar budget cut for 2011-12, but the governor's mid-May budget raised the possibility that that cut could double, to one billion dollars (President, 2011). Recent news reports, however, suggest that higher than expected tax revenues may provide some offset to these cuts.

UC Davis Chancellor Katehi recently described her campus, and higher education in California as a whole, as at a cross-roads as it struggles to maintain the high quality education for which the UC System has long been known. (Regents Minutes, 2011a) Regent Sherry Lansing agrees, "All bets are off. No longer can we say that the Master Plan even exists," in reference to California's 50-year-old blueprint for ensuring that all Californians have access to higher education. "We have a core value system we have to protect. I am asking every one of us to be really entrepreneurial." (Regents Scrutinize, 2011).

UC Davis Campus: Strong Climate for Internationalisation

UC Davis has been named as one of the top ten public research universities in the U.S., and is also California's land-grant university. It has 33,000 students, including 24,000 undergraduates, 4,500 faculty and 24,000 staff. The 2010-11 budget is \$ 3.1 billion, and it received \$156,000 million in Federal stimulus funding from the state. In her testimony before the State Board of Regents in March, UC Davis Chancellor Katehi described state support for universities as an "unreliable" revenue source which will, if the most drastic cuts proposed occur, have resulted in a 40 per cent reduction in state funding to UC Davis over the past four years. If that happens, the state will provide only 8.7 per cent of the UC Davis general fund (Regent's Minutes, 2011a).

According to Bill Lacy, Vice Provost for University Outreach and International Programs at UC Davis, "Campus leadership believes in the importance of campus internationalisation, with both our chancellor and the new provost strongly supportive of our international efforts. That is very important for our future." Lacy believes that faculty support for international efforts is increasing, which he speculates may be helped by the fact that approximately 35 per cent of the new faculty, including the chancellor, is foreign-born. UC Davis has a well-developed array of international opportunities for students and faculty and students are interested in going abroad. (See <http://www.ucdavis.edu/international/>)

Budget Cuts Require Reliance on Entrepreneurial Activities

Despite the strong support for international activities, the international office has had to bear its share of the budget cuts. UC Davis' international office's state supported budget was reduced by 30 per cent in 2010-11, and Lacy expects a similar reduction this year. As a result, the office is relying more and more on self-supporting activities to meet expenses, raising rates for study abroad and visa services to international students and scholars. The increased cost of study abroad programs has reduced participation – 70 per cent of the student body receives financial aid. The growth in study abroad is in summer and quarter abroad programs, although 400 students per year attend longer programs. International internships are growing in popularity.

The research faculty is shouldering a larger teaching burden at UC Davis because teaching assistant positions are being cut and class sizes are increasing as faculty hiring is being deferred. Lacy wonders to what affect this will have on international co-curricular activities and faculty-led study abroad opportunities, which depend on faculty energy and participation.

Budget cuts have also affected the University of California Education Abroad Program (UCEAP), which oversees study abroad programs available to all UC system students. Over three budget cycles ending in July, 2010, UCEAP has eliminated three senior level positions, reduced the faculty funding paid by the unit, and sustained substantial operating funds reductions. By 2013-14 all operating funds will be generated from student fees (UCEAP, 2010).

International Student Recruitment Encouraged

Over the years, many international students who hoped to attend one of the UC System universities were rejected because the priority was to educate Californians.

However, now that the budget crisis has reduced the per capita support for domestic students and tuition revenues and state allocations do not cover the actual cost of educating UC system students, the Regents are actively encouraging the campuses to make up the deficit by recruiting non-resident students, including international students, who will pay full tuition. (Regents Minutes, 2011)

As California attracts more international students than any other state, nearly 95,000 or 13.6 per cent of the total international student enrolment, this is a realistic plan.⁵ The UC Davis chancellor has proposed that the international undergraduate student population be increased from two per cent to ten per cent. Given the leadership's interest in internationalisation and the drive for revenue, one can surmise that this goal is perhaps motivated by both considerations. UC Davis is gearing up to recruit international students, helped by the new University of California System webpage welcoming international applicants. Lacy and his colleagues in Admissions and Enrolment Management have been investigating the resources available through the Department of State's EducationUSA and others with expertise in international recruitment to gear up for this push.

Other UC System schools are reputed to have set international student recruitment goals as high as 25 per cent of the student body. A UC System Taskforce has been appointed to investigate international student recruitment. Margaret Heisel, former Deputy Vice Provost for

⁵ IIE's Open Doors 2010 reported that University of Southern California, with 7,987 foreign students, had the largest foreign student population of any U.S. institution. UC Los Angeles ranked seventh that year, with 5,685 students.

Academic Affairs, in the Office of the UC System President, and now director of NAFSA's Center for Capacity Building in Study Abroad, noted that many of the UC universities sent admissions representatives to NAFSA's 2010 annual conference to learn more about international recruitment strategies, reflecting the Regent's mandate to recruit more non-resident students in order to balance their budgets.

Activating International Alumni Chapters

UC Davis has intensified its efforts to engage its alumni abroad. Within the last three to four years international alumni chapters have increased from 5 to 30 and for the first time the international chapters have been given equal status with domestic chapters. Davis's signature event, Picnic Day, celebrated in Davis for over 100 years, is now taking place all around the world. It is hoped that these efforts will assist in internationalisation efforts and international recruiting, and increase donations from well-off foreign graduates.

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APPENDIX 5: INTERVIEW PARTICIPANTS

1. Larry Bell, Director, Office of International Student Services, University of Colorado Boulder
2. Peggy Blumenthal, Senior Counselor, Institute for International Education (IIE)
3. William Brustein, Vice Provost for Global Strategies and International Affairs, Ohio State University
4. Darla Deardorff, Executive Director, Association of International Education Administrators (AIEA)
5. Stephen Dunnett, Professor and Vice Provost for International Education
6. University at Buffalo - The State University of New York
7. Frank Frankfort, International and Foreign Language Education Service,
8. Office of Postsecondary Education, U.S. Department of Education
9. Margaret Heisel, Director, Center for Capacity Building in Study Abroad, NAFSA
10. Barbara Hill, Senior Associate for Internationalisation, American Council on Education
11. William Lacy, Vice Provost for University Outreach and International Programs, University of California at Davis
12. Mitch Leventhal, Vice Chancellor for Global Affairs, State University of New York System
13. Miriam Kazanjian, Consultant, Coalition for International Education
14. Michael McCarry, Executive Director, Alliance for International Educational & Cultural Exchange
15. JoAnn McCarthy, Director of Academic Affairs, INTO
16. Meredith McQuaid, Associate Vice President and Dean, Global Programs and Strategy Alliance, University of Minnesota
17. Gilbert Myrck, Director, Center for International Studies, Duke University
18. Steven Pappas, Senior Advisor, International and Foreign Languages, U.S. Department
19. Peter McPherson, President, Association of Public and Land-Grant Universities of Education
20. Michael Proctor, Vice Provost for Outreach & Global Initiatives and Dean of the Outreach College, University of Arizona
21. Bruce Silner, Dean, Center for International Programs, State University at New Paltz (NY)
22. John Stevenson, Dean of the Graduate School, University of Colorado Boulder
23. Dieter Wanner, Associate Provost for Global Strategies and International Affairs, Ohio State University
24. Brian Whalen, President and CEO, Forum on Study Abroad