

REPOSITIONING IN ASIA – CURRENT OPPORTUNITIES

December 2013

Singapore Campus

Total Enrollments

- Sept 2013 – 620
- Sept 2014 – 250
- Sept 2015 – 0

EDB Loan

- Sept 2013 – \$2.2 mil.
- Sept 2014 – \$1 mil.
- Sept 2015 – 0

Anticipated Surplus by December 2015
\$2.25 million

Disposition of Surplus

- Must be used to benefit Singapore/Singaporeans because of income tax-exempt charity status

- Potential Options
 - Scholarships to main campus or branch campuses in Asia for Singaporeans (legal opinion pending)
 - Spend out on residual presence in Singapore
 - Explore subsidized 2+2 programs in neighboring EduCity – Iskandar, Malaysia EDB development

Going Forward Abroad – In Light of Lessons Learned

- **Avoid full undergraduate degree program**
 - Impossible to replicate main campus
 - Very costly to provide “equivalent” 4-year education
 - Does not drive students or revenue to main campus
 - Detracts from Las Vegas as hub
- **Do not create a discounted “out-of-state” tuition structure**
 - Having a “back door” is not equitable
 - Full tuition required for branch viability after **necessary start-up subsidy**
 - Reputation damaged by lower tuition/fee rates
- **Net financial gain will be minimal, so other benefits to UNLV should be required**
 - Send participating students to main campus (UG completion, potential grad study)
 - Alumni relations and direct recruitment of international students to Las Vegas
 - Executive Ed and leadership for Nevada businesses in Asia (esp. gaming)
 - Campus globalization, study abroad scholarships and opportunities for faculty
 - Research collaborations and access to non-U.S. grant funds

Benchmark Subsidies

- Due Diligence – \$1 mil.
- Annual Operating – minimum \$1.5 mil. first four years
- Free Facilities for Four Years (also tax concessions)
 - All academic and auxiliary services
 - Faculty housing, including utilities
- Up to \$10 mil. Loan Available
 - Interest free, no recourse in case of financial failure
- Post Start-up (year 5+)
 - Rent tied to amortization and utilities to actual costs – no sponsor markups

Songdo Global University
(SGU), Incheon Free Economic
Zone (IFEZ), R.O.K.

- South Korea - 12th largest economy in the world; 50% of family disposable income is spent on education
- IFEZ (\$65 Billion) – economic development project, Korean government support at various levels
- SGU (\$1 Billion) – vision is 10 leading international universities cooperating in general education but not competing in areas of expertise
- Ultimately, UG/G teaching, research and service should be provided in country
- Research grant funding opportunities from government and commercial sources can be made part of negotiations

UNLV in Songdo

- Would be joining other American institutions already in place with more slated to follow
 - #82 (USN – R) SUNY Stony Brook University (RU/VH)
 - #121 (USN – R) University of Utah (RU/VH)
 - #141 (USN – R) George Mason University (RU/H)
 - #93 (THE - World) Ghent University – Belgium
- No local university affiliation is required or desired by SGU
- Desired ratio of students is approximately one third each Korean, US/EU, and other
- Ministry of Education is set on 3+1 format with Hotel College, plus related programs only (e.g. Gaming Law, Hospitality Design, Entertainment Engineering appear possible)

Songdo, Korea

Academic Quad



Classroom



Next Phase



Central Services



Due Diligence Issues

- Viability of enrollment projections and optimal enrollment number at approximately \$20K per year tuition and fees
- Accuracy of costing models and sustainability of program post-subsidy
- Curricular programming and impacts on availability and recruiting of tenure-track and other faculty for main campus and abroad
- Governance, control and integration by and into the main campus and its missions, e.g., locus in a college or central administration, appropriate contracting entities, etc.
- Risk management, especially with reference to reputation, academic freedom, civil society and physical security

Potential Timeline

