

March 23, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Yearly Review (2nd Year) Southern Utah University – Associate of Applied Science in Aerospace/Aviation Technology- Professional Pilot with Emphases in Rotor Wing and Fixed Wing Aircraft

Issue

The Southern Utah University (SUU) Associate of Applied Science (AAS) in Aerospace/Aviation Technology- Professional Pilot with Emphases in Rotor Wing and Fixed Wing Aircraft was approved by the Board of Regents May 17, 2013 with an effective date of Fall Semester, 2013. At the time of approval the Board requested that SUU provide a report for each of the first three years of the program's operation. The attached report constitutes the institution's second year report.

Background

Southern Utah University's flight training program began as scheduled with students enrolling in the program Fall Semester, 2013. The program has received a lot of student interest, especially among military veterans who receive educational benefits to attend college through the United States Veterans Administration. While the program has received a high amount of enrollment success, there have been a number of challenges which Southern Utah University has addressed and will continue to address.

As reported by the institution, highlights of the second year report include:

- The program produced its first AAS graduate during the second year. A total of four students are within 12 credits of the minimum requirements for the AAS degree. Twenty-five students are currently within 24 credits of earning the AAS degree. Approximately 170 students (of the original 220 students who came to SUU for the AAS degree) have migrated to a Bachelor's degree.
- Student FTEs are higher than anticipated, 105.9 FTEs vs. 74 FTEs that were projected at the time the program was proposed.
- There have been significantly higher costs associated with the program than originally anticipated. This is due to a program restructure that needed to take place in the program's first year to meet requirements of the Veterans Administration (VA).

- The VA has proposed changes that would reduce the maximum amount of tuition funding available to veterans. Southern Utah University is considering ways to adjust to these proposed changes.
- The program has had only one AAS graduate. The institution believes this is a result of many students in the program who have opted to pursue a bachelor's degree.

In addition to the items covered in the second year report, staff in the Commissioner's office requested that SUU address the following items:

- Status of the program to include strengths, successes, and challenges.
- Status of VA requirements that could limit funding for pilot programs and how SUU plans to address these limits to maintain a viable and strong program.
- Work that SUU has done to ensure compliance to the VA's 85/15 rule.
- Plans to recruit international students and processes that will be used in accepting international students into the program.

When the Program Review Committee (PRC) discussed SUU's report, three additional questions were raised:

- With only one AAS aviation graduate thus far and many students pursuing a baccalaureate degree, what is the justification for keeping the AAS degree?
- SUU's follow-up report made the following statement: "Teaching staff is barely adequate, but adequate still the same." Within the context of overall program resources and expenses, please describe what SUU would need to do to ensure the aviation program operates with more than just a "barely adequate" teaching staff.
- Given the complexities of the VA and FAA regulations, what is SUU's strategy should SUU decide that it would be prudent to discontinue the program?

A written response to the staff and PRC items was provided by SUU and is attached to this memo following the second year report document. A representative from SUU will provide a program summary at the Academic and Student Affairs Committee Meeting on April 1, 2016.

Policy Issues

This report is being presented upon request from the Board of Regents. There are no policy issues associated with the report.

Commissioner's Recommendation

This report is for information only; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/BKC
Attachment

**Second-Year Report
Southern Utah University
AAS – Professional Pilot
11/04/2015**

Program Description

The AAS-Professional Pilot program combines flight training with technical and professional courses essential for success in the expanding aviation and aerospace industry. The program offers courses for students preparing for a career related to rotor-wing or fixed-wing operations within the commercial aerospace/aviation industry. The Professional Pilot program has a specific focus on serving veterans and preparing them for well-paying jobs in a variety of job sectors. This program is unique in that it is a public/private partnership (between SUU and Upper Limit Aviation) and thereby relieves the state from the high cost of maintaining aircraft, repairing equipment, and purchasing liability insurance. While Upper Limit Aviation delivers the instructional aspects of the flight training and issues the pilot license, SUU provides the remaining curriculum and awards the AAS degree. Professional Pilot students are encouraged to pursue their baccalaureate degree in either Interdisciplinary Studies or General Studies.

The Professional Pilot program was approved by the Board of Regents on May 17, 2013 and the first students entered the program in Fall 2013. In terms of enrollment, the program was highly successful during its first year. Considering its challenges during the second year, the program has continued to be successful. The program produced its first AAS graduate during the second year. A total of four (4) students are within 12 credits of the minimum requirements for the AAS degree. Twenty five (25) students are currently within 24 credits of earning the AAS degree. Approximately 170 students (of the original 220 students who came to SUU for the AAS degree) have migrated to a Bachelors degree.

Enrollment and Revenue Data

Departmental/Unit Enrollment and Staffing Data	Prior to Program Implementation (2012/13)	2013-14		2014-15		2015-16	
		Est.	Actual	Est.	Actual	Est.	Actual
Total Department Student FTE (<i>Annualized based on Fall/Spring 3rd Week and Summer EOT</i>)	NA	18	52.13	74	105.90	129	NA
Total Department Faculty FTE (A-1/S-11/Cost Study Definition)	NA	2.50	4.99	4	9.60	4	NA
Student FTE per Faculty FTE (from Faculty FTE and Student FTE above)	NA	7.20	10.44	18.5	11.03	32.25	NA
Program Level Data							

Total Number of Declared Majors in Program (Fall 3rd Week)	X	60	73	160	147	180	NA
Total Number of Program Graduates	X	0	0	30	1	80	NA
Departmental Revenue							
Total Revenue to Department (Total of Funding Categories from R401 Budget Projection Table)	NA	\$184,490	\$250,299	\$228,400	\$37,295,871	\$235,152	NA
Departmental Instructional Cost per Student Credit Hour (per Institutional Cost Study Definition)	NA	X	\$156.38	X	\$9,649.90	X	NA

Institutional Analysis of Program to Date

Program enrollments are both a strength and an opportunity of the program. There are a good number of students already enrolled in the program. Accumulating 147 declared majors in the first two years of the program is a significant accomplishment. As the data indicates the number of declared majors in the program at the end of the first year exceeded the projected number of students. It is believed that the same would have happened over the second year if the U.S. Department of Veterans Affairs (VA) hadn't changed its standards for reporting the 85-15 veteran/non-veteran ratio during the second year. This change restricted the program from bringing in a significant number of additional veteran-funded students. There are approximately 100 prospective veteran students who are ready to start the program but they cannot be admitted until space becomes available. The best way to make space available for these prospective veterans is by admitting new non-veteran students. For each new non-veteran student admitted, an additional five new veteran-funded students can be admitted. This multiplier effect towards the pool of prospective veteran students could significantly increase the enrollments over this next year. The focus to realize this opportunity will be active recruitment of new non-veteran students.

Teaching staff is just barely adequate, but adequate still the same. There are two full-time staff/faculty with teaching assignments: 1) The job description of the Program Director includes 50% teaching, 2) the position of Aviation Lecturer is a 100% teaching contract. The Aviation Lecturer is assigned to teach 15 credit hours on a nine-month contract.

Staff, other than teaching staff, is adequate. There are two full-time Academic Advisors with the expertise to advise aviation students. One advises almost 100% aviation students while the other advises undergraduate business students as well as aviation students. Students' access to advisors appears to be satisfactory. There is one Administrative Assistant specifically associated with the aviation program. This provides adequate administrative support for the program.

The notably larger than expected actual total revenue during the past year of the program is very closely associated with temporary staffing requirements imposed upon the program by the VA. As an emergency effort to continue providing flight training to the large number of veteran students who were already part of the program, it was required of the program to bring the flight training operations of the program in-house.

Last year's revenue figure includes the student fees to pay flight instructor salaries and benefits as well as aircraft leases.

State appropriated funding is less than adequate for the program. The program is still struggling to accumulate much needed equipment. Much of the equipment needed for the aviation program is highly expensive when compared to the cost of equipment needed for many other institutional programs. Fortunately, SUU has changed financial policy to allow unspent program funding to rollover to the following year. With this policy the program will gradually accumulate a larger funding pool and strategically place this resource towards the high dollar equipment needs. The program has also received funds from CTE grant funding for program equipment needs and expects to receive additional funding from this source in upcoming years. The Aviation Advisory Committee will also be tasked with fundraising projects for the program.

Main Concerns:

1. SUU-ULA contract status
2. International VISAs
3. VA students on wait list
4. Additional non-veteran students

SWOT Analysis:

Strengths:

1. Higher than projected student FTE, both reported years.
2. Positive revenue trend

Weaknesses:

1. Too few non-veteran funded students.
2. International VISAs

Opportunities:

1. Approximately 100 veteran students on the 'wait list' for admission to the program when VA space is available.
2. International VISAs
3. Online aviation course offerings

Threats:

1. H.R. 475 – proposed VA yearly tuition cap.
2. Proposed discontinuance of VA funding for Private Pilot Certification flight training.

Employment Information

As noted from the data, the program has only had one graduate to date. This is significantly below the projected number of graduates. As indicated above, much of this discrepancy can be explained by 170 students (of the 220 originally admitted students) have decided to continue with a Bachelor's degree. These students will show in graduation numbers after they complete their Bachelor's degrees and file for graduation in both the BS as well as the AAS. The one graduate indicated in the data is gainfully employed as a helicopter pilot at Alpine Air in Alaska. Technically speaking, the program thus far has a 100% placement rate.

Response from Southern Utah University to OCHE Request for Additional Information on Professional Pilot Second Year Report

Response to Questions from the Program Review Committee

Question: With only one AAS aviation graduate thus far and many students pursuing a baccalaureate degree, what is the justification for keeping the AAS degree?

Response: It is true, collegiate aviation programs are more conducive to baccalaureate degrees. Even in the current program plan (see attached) six semesters are designed to achieve the Associate's degree. The flight training is a critical factor in the length of an aviation program. With the academic and flight training load combined, four semesters are not enough to complete all of the academics and flight training necessary. The majority of veteran aviation students, at least those who are not swept away by the high demand of pilot jobs, are finding that they are completing the academic courses required of the Associate's degree well before completing all of their required and desired flight labs. This is also the main reason for the high demand among aviation veteran students of baccalaureate degrees. These students would like to have additional academic courses associated with their degree so they can continue working on required and elective flight labs and still maintain full-time student status in their later semesters at SUU. It may be wise to create an aviation bachelor's degree. One justification for keeping the AAS degree is that rotor-wing operations typically don't require baccalaureate degrees of their pilot hires, but would prefer some evidence of academic achievement in their candidates. Additional justification for both the associate degree and a baccalaureate degree in aviation is that veteran students could continue to maintain full-time student status and receive full housing allowance from their benefits while they finish up their required and desired flight labs while they work towards the bachelor's degree. By keeping the AAS degree those students who will be hired before completing the bachelor's degree requirements could still be counted as a student completion by applying for and by receiving their AAS aviation degree. Additional AAS graduates are expected this year.

Question: SUU's follow-up report made the following statement: "Teaching staff is barely adequate, but adequate still the same." Within the context of overall program resources and expenses, please describe what SUU would need to do ensure the aviation program operates with more than just a "barely adequate" teaching staff.

Response: The aviation program currently has one individual on a nine month contract who is expected to teach five courses (15 credit hours) during fall and spring semesters and one individual on a 12 month contract who has a workload expectation of 50% teaching and 50% administration (flight training and airport personnel are adequate and not considered in this discussion). The remaining courses are taught by adjunct instructors. SUU has recognized the low teaching staff levels and has authorized a new Professional in Residence position to join the teaching staff.

Question: Given the complexities of the VA and FAA regulations, what is SUU's strategy should SUU decide that it would be prudent to discontinue the program?

Response: SUU has coordinated a two-year teach-out period with the lease agreement and any of the services Upper Limit Aviation is performing. Discussions have also been held with other flight training providers and aircraft lease companies about additional teach-out options if they become necessary. Southern Utah University would slowly phase out program offerings and assist students as much as possible in transitioning to other institutions or other flight training providers.

Response to Items Raised by the Commissioner's Staff

Response Item 1: Status of the program to include strengths, successes, and challenges.

Strengths:

The SUU Professional Pilot program is one of the few in the nation which will continue to be eligible for veteran students to receive VA educational funding to subsidize the Private Pilot training.

The program is structured as an in-house flight training provider with fixed-rate flight lab fees. Both of these conditions position the program in the best possible circumstances given the recent enforcement actions of the VA. These two items are deemed a "best practice" by the VA and will be the model that all institutions of higher education will have to move to in 2016.

Successes:

85/15 ratio in A.A.S. is in compliance and new veteran students were admitted into this degree for Fall, 2015 and Spring, 2016. The B.I.S. ratio is trending into compliance and may be compliant with the Spring, 2016 VA ratio report.

A European Aviation Safety Agency (EASA) curriculum has been created to incorporate into the on-campus and online offerings. This will give SUU the ability to train pilots that will be able to fly anywhere across the globe. Upper Limit Aviation has been working in Europe over the last year to develop relationships with EASA examiners and compliance specialists.

Challenges:

- Keeping up with the changing VA scene.
- Devising a long-term strategy for the success of the program.
- Creating a flight training structure that satisfies governing and funding bodies.
- Conforming to VISA requirements for international students to participate in the program.
- Impressing upon the students reasons for them to continue through to graduation. Students are being taken by the industry before they graduate. Procedures have been implemented to slow students FAA progression to match their degree work.

Response Item 2: Status of VA requirements that could limit funding for pilot programs and how SUU plans to address these limits to maintain a viable and strong program.

- Proposed bill restricting maximum annual funding – Bill moving through Congress. Yearly cap of approximately \$20,000.00 for both tuition and fees for VA educational benefits. Successes in the program's favor have been noted in the Senate with major wins in the Senate Veterans Affairs Committee (SVAC). The SVAC is opposed to the House Veterans Affairs Committee (HVAC) proposed bill and will not pass it if it receives a passing vote from the full house (still not scheduled). Sen. Heller (R-NV, member of the SVAC) is in the process of writing legislation that would force the VA to follow their own rules and prevent regional interpretation of statute. Flight training costs are being reduced as much as feasibly possible so that they may more closely approach funding limitations which may be imposed. Ultimately veteran students may have to pay a portion of their registration costs and flight training.
- Private Pilot Cert. in-house vs. contracted flight training – The VA recently implemented a policy which only permits VA funding for the Private Pilot certification training for programs who provide the Private Pilot training in-house and not through a contract with an outside training provider. Southern Utah University has already made a transition to an in-house flight training program and will simply have to continue in this condition to allow veteran students the privilege of educational funding for their Private Pilot training.

- By late summer 2016, it is anticipated that all contracted flight training will be reduced to \$10,000 annually.

Response Item 3: Work that SUU has done to ensure compliance to the VA's 85/15 rule.

SUU was finally able to determine how the VA wanted the ratio calculated. After this was understood the Admissions Office watched very carefully aviation applicants and aviation program capacities. It was decided to target 75% veteran students in any program associated with aviation. New admissions to any aviation program were put on hold until veteran ratios dropped below 75%. Students were only admitted after capacity was demonstrated in an official VA ratio report from the previous semester.

In effect a one semester lag has been created for all incoming VA students to be admitted to the program after capacity is demonstrated. Because the VA calculation is so greatly impacted by the number of non-veteran (private pay) students, no VA students will be allowed to enroll until the calculation from the previous semester has been submitted. This allows for any last minute drops to be taken into account before new students are admitted, i.e., private pay numbers for spring will be used to calculate summer VA enrollments.

Response Item 4: Plans to recruit international students and processes that will be used in accepting international students into the program.

2-year plan

- Receive Part 141 Flight Training School certificate for SUU
- The plan to accept international students is a 2-year plan. Only aviation programs that hold CFR Title 14 Part 141 Flight Training School certificates can qualify their students for U.S. educational VISAs for flight training. Southern Utah University does not hold such a Flight Training School certificate and therefore cannot qualify its students for the required VISAs. Flight Training School certificates are awarded by the FAA based on criteria that an operation must demonstrate over a period of 24 calendar months. The first step in this demonstration period is receiving FAA approval for this period to begin. The request to start this period has only very recently been submitted to the FAA on behalf of SUU which means that international manned aircraft pilot students at SUU cannot be expected for at least two years.
- Recruitment activities targeted at international students have already been conducted and continue. There already exists a notable international interest in the aviation program but SUU is currently unable to provide the training to these potential students.