ILLINOIS STATE UNIVERSITY
REQUEST FOR NEW PROGRAM
APPROVAL *Financial Implication*
Form

Purpose: Proposed new undergraduate and graduate programs (degrees, sequences, minors, and certificates) must include information concerning how the program will be financially supported to proceed through the curricular process.

Procedure: This completed form is to be approved by the Department/School Curriculum Committee chair, department chair/school director, college dean, and Provost prior to submission of the proposal to the College Curriculum Committee.

Definition: A "program" can be a degree, a sequence within a degree, a minor, or a certificate. This form is to be used for both undergraduate and graduate programs.

Complete the following information:

Department: College of Business

Contact person: Terry Noel

Date: 9/8/2023

Proposed new program: Online Business Administration Sequence (housed in Business Administration major)

BRIEF DESCRIPTION OF THE PROPOSED ONLINE BUA PROGRAM

Summary

The Business Administration Online Program will deliver our current BUA major in a fully online, asynchronous format. It will serve the needs of students who wish to pursue a business undergraduate degree but for various reasons cannot commit to a residential university experience. These may include adult learners who have earned associate degrees at two-year institutions, people in early to mid-career who need a bachelor's degree to advance, and ISU students who have discontinued their education here because of difficulties associated with being a residential student and would like to finish their business degree online. Some students will need to finish their associate degree or its equivalent before entering the program. Other students will have completed more than associate-level work and may be able to transfer in certain courses. In those cases, the student would not need to take all the courses in the program.

Offering adult learners an opportunity to finish their degree in a way that is flexible and fits with their life situation will enable ISU to reach people who really need a bachelor's degree for career enhancement. Stop-outs are especially vulnerable, earning $21,000 a year less than college graduates. This is especially a problem for Black, Hispanic, and low-income students, who stop-out at a higher rate and are less likely to finish in six years.

The EAB report delivered at the ISU Strategy Retreat two years ago suggests that offering hybrid or online delivery is a key characteristic of successful adult degree programs. With the hiring of a Chief Online Learning Officer, we now have the capability of designing and delivering an effective online business degree that includes sound pedagogy, a user-friendly student interface, and a uniform and attractive "look" for the ISU brand.

Generous transfer pathways (such as community college transfers) also aid in ensuring that adult learners can finish their undergraduate degrees. We intend to work with Heartland Community College, for example, to establish a clear pathway into the ISU Online BUA.

Program Design

The program will be delivered fully asynchronous online, cohort-style, with 17 courses. (See attached class schedule.) Cohorts will start each August at the same time as regular classes and last approximately 24 months. Each course will have a dedicated instructor who manages the learning process, but course content will be largely determined by a "master" course developed by a designated subject matter expert and revised on a five-year cycle.

Students will take four courses per semester and one course during Winter Term. Each course will be eight weeks long, meaning that a full-time student will be enrolled in two classes at a time throughout the cohort. Students will be free to work through the course as they see fit, provided they finish all course requirements by the end of the eight-week period. Grades will be reported on the regular Registrar's Office schedule.

The eight-week course length will cause some processes in the Registrar's Office and Financial Aid to be handled manually. We have had conversations with both offices to determine how to minimize the amount of additional work. Ways to automate processes through Campus Solutions are also being explored.

The Full Cost Recovery cohort model has several advantages over other types of programs. The main advantage is in staffing courses. Instructors will be hired on a volunteer basis. Courses will not be part of an instructor's regular load and the instructor will be paid a stipend. This model has been used successfully in both the Corporate MBA Program and our Panama programs.

One disadvantage concerns a student's ability to make up missed courses. Since courses will only be offered in lockstep, students will have to wait a full year to make up a failed or missed course. While this is not ideal, the alternative of offering classes every semester is not feasible from a resource standpoint.

ENROLLMENTS

In the table below, summarize enrollment and degrees conferred projections for the program for the

first and fifth years of operation. If possible, indicate the number of full-time and part-time students to be enrolled each fall term in the notes section. If it is not possible to provide fall enrollments or fall enrollments are not applicable to this program, please indicate so and give a short explanation.

TABLE 1

STUDENT ENROLLMENT AND DEGREE PROJECTIONS FOR THE PROPOSED PROGRAM		
Category	**Year One**	**Year 5 (or when fully implemented)**
Number of Program Majors/Minors (Fall Headcount)	10	30 (Assumes 5 additional students per each new cohort)
Annual Full-time-Equivalent Majors/Minors (Fiscal Year)	10	55 (When Cohort 4 is finishing and Cohort 5 has started)
Annual Number of Degrees Awarded	0	25 (The 5th year cohort will not graduate until Year 6)

Add any relevant notes for the enrollment table 1 (Students are to be enrolled in a cohort; all students will be enrolled part-time; etc.) as an attachment:

Students will be enrolled in a cohort. Projections assume a five student per year growth rate, leveling out at 30 students per year.

Budget Rationale (as an attachment; include corresponding data in Table 2)

Provide financial data that document the department or school's capacity to implement and sustain the proposed program and describe the program's sources of funding.

   a. Is the unit's (College, Department, School) current operating budget (<u>contractual, commodities, equipment, etc.</u>) adequate to support the program when fully implemented? If "yes", please explain. If new resources are to be provided to the unit to support the program, what will be the source(s) of these funds? *[Table 2 – Section 1]*

Yes. The source of startup funds will be money earned from the contractual program we have set up with Quality Leadership University in Panama. Startup (Year 0) includes FY24 costs to develop courses. There are three main components:
   - Faculty pay for developing each master course template will be covered by the Center for Integrated Professional Development (17 courses at $4500 = $76,500).
   - Instructional designer pay for developing each master course template will be covered during the first year by the COB through CIPD (17 courses at $2000 = $34,000)
   - Pre-launch advertising ($50,000)

Startup costs will be incurred during the year before the first cohort is launched.
   b. What impact will the new program have on faculty assignments in the department? Will current faculty be adequate to provide instruction for the new program?

This online degree will be set up as a Full Cost Recovery program. Instructors for the program will come from existing faculty who elect to teach courses for a stipend. Courses will not be part of an instructor's regular teaching load. It will cost a total of $153,000 (17 courses at $9000) in faculty pay for each cohort. The program is expected to be self-sustaining with a breakeven of 11 students.

Will additional faculty need to be hired, either for the proposed program or for courses faculty of the new program would otherwise have taught? If yes, please indicate whether new faculty members will be full-time or part-time faculty, tenure track or non-tenure track faculty. *[Table 2 – Section 2]*

No.

c. Will current <u>staff</u> be adequate to implement and maintain the new program? If "yes", please explain.

Yes. The Director of the Business Administration program will handle course development, staffing of courses, and student advising.

Will additional staff be hired? Will current advising staff be adequate to provide student support and advisement, including job placement and or admission to advanced studies? If additional hires will be made, please elaborate. *[Table 2 – Section 2]*

Yes.

d. Are the unit's current <u>facilities</u> adequate to support the program when fully implemented? Will there need to be facility renovation or new construction to house the program? (For a new degree program describe in detail the facilities and equipment available to maintain high quality in this program including buildings, classrooms, office space, laboratories, equipment, and other instructional technologies for the program). *[Table 2 – Section 3]*

No additional facilities or equipment will be required. Courses will be delivered asynchronously through the Canvas Learning Management System.

e. Are <u>library resources</u> adequate to support the program when fully implemented? Please elaborate.

No additional library resources will be needed over and above what is already provided for our regular BUA degree.

f. Are there any additional costs not addressed in items a. – d.? If "yes" please explain. *[Table 2 – Section 4]*

Yes. During each cohort, there may be a voluntary on-campus event costing approximately $2000.

g. Are any sources of funding temporary (e.g., grant funding)? If so, how will the program be sustained once these funds are exhausted?

The program's startup costs will be covered by money earned from the Panama programs as described above. It is expected to be self-sustaining after the first year with a breakeven of about ten students.

h. If this is a graduate program, discuss the intended use of graduate assistantships and where the funding for assistantships would come from.

N/A.

Table 2:   RESOURCES REQUIREMENTS

TABLE 2

ESTIMATED COSTS OF THE PROPOSED PROGRAM- Only new resources not currently available to the program			
Category	**Unit of Measurement**	**Year Zero (startup year)**	**5th Year (or when fully implemented)**
Section 1: Operating Expenses			
Including but not limited to: Contractual, Commodities, Equipment, etc.	$	$86,000	$216,475 (based on 30 students)
Section 2: Personnel			
Faculty	FTE	N/A	N/A
Faculty	N/A	$0 Startup Year 0 (FY24)	$153,000 per year FY25 and thereafter (assumes $9000 per class for instructor)
Instructional Designer	N/A	$60,000 startup Year 0 (FY24)	N/A
Section 3: Facilities			
Including but not limited to rental, maintenance, etc.	N/A	N/A	N/A
Section 4: Other Costs (itemized)			
•	$	$2000	$2000
•	$	$	$
•	$	$	S
•	$	$	$

	$	$	$
•			
Total	**$**	**$148,500**	**$155,000**

*Any losses in this program will be covered by funds from the Panama program.