***Note**: The two documents posted here should be consulted together. The first, the Profit-sharing Model for New Programs shared with BSUFA leadership and adopted on 29 August 2018 by the University, establishes the policy through which funds will be made available for support of new program development and conversion of existing programs to new delivery models. The second, the Outline of Process and Expectations, is intended as an elaborative companion that explains how reassigned time will be distributed; when the various levels of reassigned time start and end; and what faculty members receiving this reassigned time are accountable for accomplishing. The document establishes no new policies or practices but is offered to guard against confusion or misunderstanding as to the procedures through which the profit-sharing model will be implemented and managed.*

PROFIT--SHARING MODEL FOR NEW PROGRAM DEVELOPMENT
FINAL – 11-15-18

This budget model is intended to provide a funding mechanism for departments with interest in developing new programs that will provide greater access to BSU learning opportunities and increase enrollments at BSU. The fiscal model it envisions rewards outreach and effective planning while increasing the number of programs offered at all levels and across delivery methods.

Under this proposed model, a department creating a new undergraduate or graduate degree program will receive three credits of reassigned time to support design of the program; six credits of reassigned time in the first year of the program's implementation to support collaboration with admissions and marketing staff on launch efforts; and three credits of reassigned time in the second and third years of the program's existence to support collaboration with admissions staff in recruiting and assessment of student learning.

During all of the programs' first three years, net profits or losses will be shared fifty percent with the university and fifty percent under the oversight of the Provost. Net Profit or Loss will be calculated using 100% of collected tuition minus 100% of expenditures. All programs' profits and losses will be combined prior to the sharing of the profit or loss.

The Provost's 50% share of net profits will be distributed in the following manner: one-fourth to a contingency fund aimed at covering, or helping to cover, potential losses from programs that don't perform as anticipated, and three-fourths to the discretionary funds of the colleges sponsoring the respective programs. The allocation to each college will be based on that college's profit/loss ratio relative to its counterparts (i.e. with a year's pool after contingency is removed of $60,000 in which one college's programs earned 30% of all net profits, another 45%, and another 25%, the first college would receive $18,000, the second $27,000, and the third $15,000). If the colleges collectively were to incur a net loss, costs beyond the capacity of the contingency fund will be split evenly between the colleges and the Provost (and the Center for Extended Learning if CEL is a partner in development and launch).

At the end of three years, reassigned time for support of this program and split of revenue will cease, unless enrollment projections prompted a delay of launch. If a program's launch is delayed for a year, the department will receive an additional three credits for continued development and marketing during the second year (followed by six credits in the third year and three credits in the fourth). No program's launch will be delayed for more than one year. If enrollment projections for the second year suggest that our expectations were in error, the Provost, in consultation with the sponsoring departmental faculty and dean (as well as the Director of Extended Learning and/or Director of Graduate Studies if either or both have partnered in development and launch plans), will abandon the effort.

Should the faculty in an existing program collaborate with administrative leadership in the initiation of a substantial curricular redirection or change in delivery method aimed at supporting enrollment growth in the program, the same funding process will be utilized, with the following exception: reassigned time in the first year of implementation will be three credits instead of six.

PROCESS AND EXPECTATIONS

Proposal Stage

- Preliminary Program Proposal
  - Brief Description of Program (1-2 pages)
    - Anticipated General Design
    - Anticipated Student Market
    - Anticipated Delivery Method
    - Tentative Plan for Use of Three-Credits Reassigned Time (i.e. one faculty member, three credits; two faculty members, 1.5 credits; three faculty members, 1 credit; other)
- Preliminary Program Proposal Submitted to Provost

Reassigned Time for Development Stage Awarded on the Basis of Preliminary Program Proposal; cost of reassigned time in the Development Stage will be underwritten by Academic Affairs.

Development Stage

Market Research (in collaboration with Academic Affairs)
- Primary Student Market and any Secondary Student Markets
- Delivery Method Best Suited to Student Markets (e.g. International Students generally need face-to-face instruction, students already in careers often need distance-based instruction)
- Delivery Method to be Marketed (e.g. face-to-face, distance-based, hybrid, blended, or other), and explanation of how this delivery approach will meet the needs of prospective students)

Number of Credits in Major, Prerequisites, Frequency of "On-ramps" into Program (note: cohort-based programs are usually ill-advised; if a cohort-based model is proposed, likely attrition must be accounted for, and cohort must be based on desired size at completion)

Expected Enrollment: First year, Second Year, Third Year

Number of Credit Hours Needed to Deliver Program: First Year, Second Year, Third Year (note: an entire program need not be delivered in the first year)

Length of time to completion for a full-time student who earns an acceptable grade on all courses

Tentative Plan for Collaborative Work with Marketing and Communication

Reassigned time for Implementation, Stage 1, may be adjusted on the basis of Development-Stage performance (i.e. Provost reserves right to reduce or increase proposed award to specific individuals based on the extent and quality of their contributions to the work); cost of reassigned time during Implementation, Stage 1, will be charged as part of the net profit/loss calculation for programs utilizing the Profit-Sharing Model for New Program Development.

May decide to devote an additional year for marketing, with three credits of reassigned time underwritten by Academic Affairs; may decide to cancel implementation if second year of Development Stage does not yield expected level of interest in program.

Implementation, Stage 1

Tentative Plan for Use of Six Credits Reassigned Time

Regularly Assisting Admissions with Advising Potential Students and Students Enrolled in the Program

Teaching in Program

Assessing Student Learning in Program

Adjusting Program in Response to Unanticipated Realities and Initial Assessment Results

Continuing Collaborations with Marketing and Communication

Regularly Accompanying Admissions Staff on Recruiting Trips for Program

Reassigned time for Implementation, Stage 2, may be adjusted on the basis of Stage 1 performance (i.e. Provost reserves right to reduce or increase proposed award to specific individuals based on the extent and quality of their contributions to the work); cost of reassigned time during Implementation, Stage 2, will be charged as part of the net profit/loss calculation for programs utilizing the Profit-Sharing Model for New Program Development.

Implementation, Stage 2

Tentative Plan for Use of Three Credits Reassigned Time

Regularly Assisting Admissions with Advising Potential Students and Students Enrolled in the Program

Teaching in Program

Assessing Student Learning in Program

Adjusting Program in Response to Unanticipated Realities and Initial Assessment Results

Continuing Collaborations with Marketing and Communication

Accompanying Admissions Staff on Recruiting Trips for Program to Places with Particular Potential for Interest

Collaborating with Academic Affairs to Determine Whether Program should be Advanced to “Mature” Status, Given One More Year of Implementation (with three credits of additional release time charged as part of net profit/loss calculation), or Discontinued

Profit Sharing programs will be either advanced to “Mature” status or discontinued after a third year of Implementation.