OSU BUDGET NARRATIVE
Supplemental Face-to-Face Instruction for Existing Online BS in Business Administration - PDX

Please provide details on Personnel, FTE directly supported by the budget and reallocation of personnel if appropriate

Personnel: Note: This budget reflects the total revenue and cost of delivery, including both the online and face-to-face components, for the proposed offering of a 50/50 hybrid program in Portland, starting in fall 2018. We intend to offer similar programs in Salem and Eugene in partnership with Chemeketa and Lane Community Colleges starting in fall 2019, presuming market analysis confirms expected demand for the supplemental instruction. The budget analysis for those programs will be similar, but base on lower enrollment projections.

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Year 1	Number	FTE	Salary	Total
Faculty, Tenured/tenure-track:	4	0.80	$ 28,017	$ 112,069
Faculty, Fixed-term:	4	0.33	$ 6,264	$ 25,054
Graduate Assistants	0			
Support Staff	1.5	1.5	$ 60,369	$ 90,554
OPE				
Tenured Faculty	4		$ 11,767	$ 47,069
Part-Time Faculty	4		$ 2,631	$ 10,523
Support Staff	1.5		$ 25,355	$ 38,032
				$ 323,302

Year 2	Number	FTE	Salary	Total
Faculty, Tenured/tenure-track:	8	1.60	$ 28,718	$ 229,742
Faculty, Fixed-term:	13	1.08	$ 6,420	$ 83,462
Graduate Assistants	0			
Support Staff	1.5	1.5	$ 62,180	$ 93,270
OPE				
Tenured Faculty	8		$ 12,061	$ 96,492
Part-Time Faculty	13		$ 2,696	$ 35,054
Support Staff	1.5		$ 26,116	$ 39,173
				$ 577,194

Year 3	Number	FTE	Salary	Total
Faculty, Tenured/tenure-track:	10	2.00	$ 29,436	$ 294,357
Faculty, Fixed-term:	16	1.33	$ 6,581	$ 105,291
Graduate Assistants	0			
Support Staff	1.5	1.5	$ 64,045	$ 96,068
OPE				
Tenured Faculty	10		$ 12,363	$ 123,630
Part-Time Faculty	16		$ 2,764	$ 44,222
Support Staff	1.5		$ 26,899	$ 40,349
				$ 703,917

Year 4	Number	FTE	Salary	Total
Faculty, Tenured/tenure-track:	10	2.00	$ 30,172	$ 301,716
Faculty, Fixed-term:	16	1.33	$ 6,745	$ 107,923
Graduate Assistants	0			
Support Staff	1.5	1.5	$ 65,967	$ 98,950
OPE				
Tenured Faculty	10		$ 12,672	$ 126,721
Part-Time Faculty	16		$ 2,833	$ 45,328
Support Staff	1.5		$ 27,706	$ 41,559
				$ 722,197

Other Expenses:

Library: (include supporting material from Library, and note if library expenses are one time or recurring)

Printed material: $0

Electronic material: $0

- There are no new courses. Existing library materials that support the current online degree program will be sufficient to support the hybrid program.

Services and Supplies:

General Operating Costs:

	2018-19	2019-20	2020-21	2021-22
General Operating Costs	$ 33,500	$ 34,338	$ 35,196	$ 36,076

- We have budgeted $33,500 for promotion, advertising and other marketing and communication expenses. These will include purchasing promotions at PDX airport, advertising on OBP, providing promotional materials to local community colleges,etc. We used 2.5% inflation for years 2-4.

Capital Equipment: None required

Software licensing expenses:

- No new software required. Using existing courses.

Physical Facilities: Include documentation of estimates for construction and major renovations.

- No new physical facilities required. Will use classrooms in new OSU PDX facility in Portland and space provided by community colleges for Salem and Eugene.

Construction: none

Major Renovations: none

Other expenses such as furniture and relocation costs: none

Resources: Please identify and explain sources of all funds and highlight whether they are recurring or one time.

Resources are modeled for the Portland program launching in fall 2018.

	2018-19	2019-20	2020-21	2021-22	2022-23
New Students	30	55	80	80	80
Continuing Students	0	26	48	70	70
Total UG PDX Headcount	30	81	128	150	150
SCH Generated	1170	2618	3987	4382	4382
Tuition Revenue Generatec	$ 194,922	$ 450,601	$ 708,542	$ 804,085	$ 830,012
Completion Bonus	$ -	$ 93,496	$ 171,253	$ 249,010	$ 249,010
Total Revenue	$ 194,922	$ 544,096	$ 879,795	$ 1,053,094	$ 1,079,022

- Portland Community College (PCC) has 1,436 students enrolled in the Associate of Science Oregon Transfer in Business (ASOT-Business) program. To reach our enrollment goal of 150 students, the College would need to attract 80 of these students per year (approximately 5.6% of the students) to our hybrid PDX program.
- PCC has 3,295 online students within the Portland service district. On average, 25% of PCC students earn a credential, and 17.4 percent of PCC students earning credentials study business. Thus, approximately 143 online PCC students will earn a business credential and would be eligible to enter our hybrid PDX or online business administration degree.
- We assume we will attract 30 students in the first year, 55 students in the second, and 80 students per year thereafter to reach a student headcount of 150.
- SCH are calculated assuming students will complete 39 credits from the College in the first year, and 19 credits in the second year. We did not include the 6-8 credits for the Bacc Core Synthesis courses since that revenue will flow to the college offering those courses.
- We used the $150 per SCH for undergraduate course delivery via extended campus, plus the taxed $20 per SCH tuition differential for business, to calculate revenue for 2018-19. We increased the revenue per SCH by 3% per year for subsequent year.
- We modeled completion at 80% (80 percent of those who start the program will complete) to calculate the completion bonus. On campus, our first-year retention rate for transfer students is over 85%. Since this is modelled as a five-term program, we expect approximately 95% of the returning students to complete.

Tuition remission support (for Graduate Programs only) : Graduate school, Laurels and Block Grant awards and other Grants

Other: Describe other resources including endowments and any special appropriations.

Finally: Show that Expenses = or are less than Resources

- Breakeven (recovery of initial loss) occurs in 2021-22.

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue	$ 194,922	$ 544,096	$ 879,795	$ 1,053,094	$ 1,079,022
Expense	$ 356,802	$ 611,532	$ 739,113	$ 758,273	$ 777,933
Net Income	$ (161,880)	$ (67,435)	$ 140,681	$ 294,821	$ 301,090