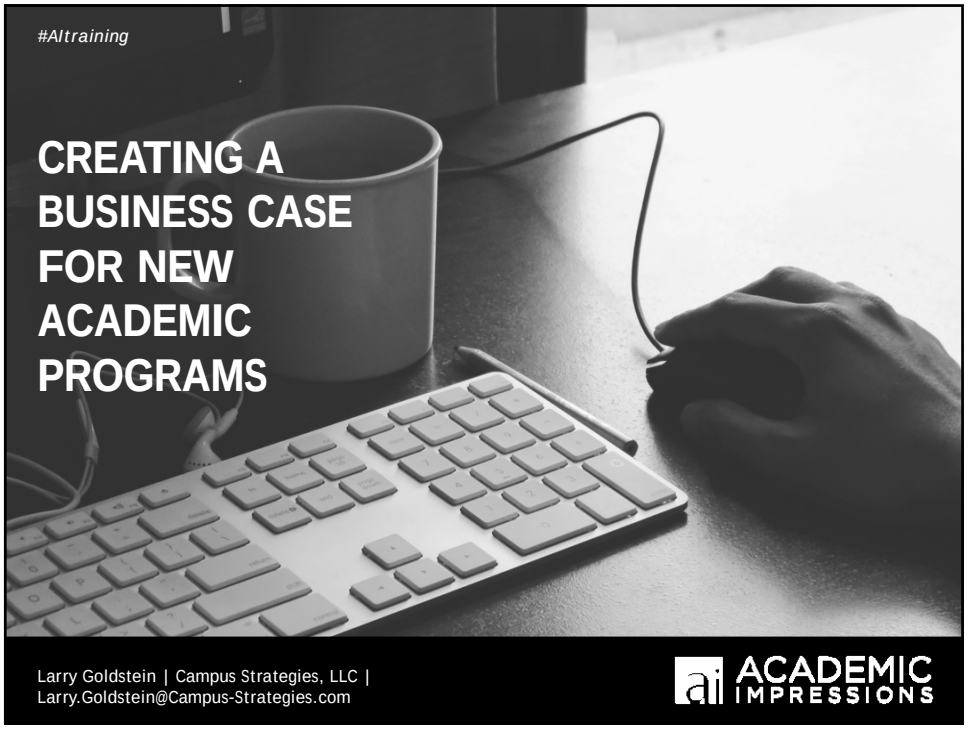

LEARNING OUTCOME

After participating...

... you will be able to identify ways in which to improve your new academic program approval process.

ACADEMIC IMPRESSIONS 2

AGENDA

- Best practice example of how to "make the case"
- Examining resource implications and institutional impact
- 10 criteria for demonstrating program rationale
- Example applying the 10 criteria
- Building a pro forma budget
- Building a comprehensive review and approval process
- Lessons learned

ACADEMIC IMPRESSIONS 3

SAMPLE PROJECTS / INITIATIVES

- New course
- New degree or concentration
- New research center / institute
- New fee-based initiative (e.g., clinic, materials testing lab)
- New internal service (e.g., separately budgeted, fee-based activity providing services to other institutional departments)

ACADEMIC IMPRESSIONS 4

BACKGROUND

- Pressure to offer new programs
- Tendency to over-program
- Need for rigor in the process
- Wise to consider whether there are programs that should be phased out
- Informal practice of phasing out programs when new ones are added to maintain appropriate resourcing

ACADEMIC IMPRESSIONS 5

POLL

Q1: Does your campus have a formal process for approving new activities?

Q2: (if relevant) How would you characterize the process?

ACADEMIC IMPRESSIONS 6

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BEST PRACTICE EXAMPLE OF HOW TO "MAKE THE CASE"

ACADEMIC IMPRESSIONS 7

ILLUSTRATION

- Let's walk through an illustration involving the program rationale for a proposed research center
  - Start with describing the center's connection with and support of
    - Institutional Mission
    - Strategic plan priorities
    - Existing academic programs
  - Differentiate it from existing offerings

ACADEMIC IMPRESSIONS 8

EXTERNAL INTEREST

- Describe the center's response to compelling regional / national need (while also linking to institutional mission)
- Provide evidence of sponsor interest
- Provide evidence of donor interest
- Compare / contrast center to competitors' similar programs

ACADEMIC IMPRESSIONS 9

FACULTY EXPERTISE

- Describe current faculty's expertise in the center's area of focus
- Will the center utilize human or animal subjects in its research?
  - Articulate prior experience of organizers in obtaining IRB (Institutional Review Board) approval

ACADEMIC IMPRESSIONS 10

SPECIAL CONSIDERATIONS

- Will any special licenses or permits be required?
- Are there special implications for other academic units?
  - For instance, how will the center impact the library?
  - What are the implications for academic technology?

ACADEMIC IMPRESSIONS 11

COLLABORATION

- What collaborative opportunities exist?
  - Within the institution?
  - With other academic or nonprofit research entities?
  - With governmental agencies?
  - With commercial entities?

ACADEMIC IMPRESSIONS 12

SUCCESS

- How will the proposed center contribute to institutional success?
  - For faculty?
  - For students?
  - For existing academic programs?
  - For the institution's reputation?

ACADEMIC IMPRESSIONS 13

ADDITIONAL THOUGHTS

- Establish a standard cycle for addressing proposals
  - Be willing to accept them at any time but establish a cutoff so the community knows when reviews occur

ACADEMIC IMPRESSIONS 14

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EXAMINING RESOURCE IMPLICATIONS AND INSTITUTIONAL IMPACT

ACADEMIC IMPRESSIONS 15

STAFFING

- What are the center's staffing needs?
  - Faculty (tenured, tenure-track, contract, visiting)
  - Research assistants / associates
  - Clerical / technical / support staff
  - Graduate assistants
  - Undergrads (if compensated)

ACADEMIC IMPRESSIONS 16

SPACE AND EQUIPMENT

- What are the center's space requirements?
  - Describe efforts to identify existing available space
- What are the center's equipment requirements?
  - Can any of these be met through existing inventories of equipment?

ACADEMIC IMPRESSIONS 17

REVENUES

- What are the major sources of financial support?
  - General fund
  - Startup versus continuing
  - Sales and services
  - Gifts & endowment income
  - Sponsored program F&A recoveries
  - Other

ACADEMIC IMPRESSIONS 18

EXPENSES

- What are the major expenses?
  - Differentiate between startup and continuing if applicable
    - Compensation (i.e., salaries and fringe benefits)
    - Supplies and services
    - Travel
    - Equipment
    - Other

ACADEMIC IMPRESSIONS 19

OTHER IMPACTS

- Describe any special impacts on institutional support services?
  - Procurement
  - Facilities
  - Human resources
  - Sponsored programs
  - Environmental, health and safety
  - Accounting and payroll
  - Advancement

ACADEMIC IMPRESSIONS 20

ADDITIONAL THOUGHTS

- Differentiating between startup or other one-time costs and continuing costs is critical
  - Your goal should be to have a deep understanding of the cost considerations before committing to the program
- Recognize that it's fairly common to understate space considerations

QUESTIONS

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10 CRITERIA FOR DEMONSTRATING PROGRAM RATIONALE

ACADEMIC IMPRESSIONS 23

ESTABLISHING EVALUATION CRITERIA

- Bob Dickeson's 2010 book, *Prioritizing Academic Programs and Services*, offers a model for evaluating all institutional activities
- Goal is to discontinue efforts no longer contributing to institutional success
  - Divert resources to successful programs or fund new initiatives

ACADEMIC IMPRESSIONS 24

SAMPLE CRITERIA FOR EXISTING PROGRAMS

Bob's 10 Criteria for Evaluating Academic Programs

1. History, development, and expectations
2. External demand
3. Internal demand
4. Quality of inputs and processes
5. Quality of outcomes…

ACADEMIC IMPRESSIONS 25

SAMPLE CRITERIA FOR EXISTING PROGRAMS

6. Size, scope, and productivity
7. Revenues / resources generated
8. Expenses / costs incurred
9. Impact, justification, and overall essentiality
10. Opportunity analysis

ACADEMIC IMPRESSIONS 26

SAMPLE CRITERIA FOR NEW PROGRAMS

1. ~~History,~~ Development and expectations
2. *Anticipated* external demand
3. *Anticipated* internal demand
4. Quality of *expected* inputs and processes
5. Quality of *expected* outcomes

ACADEMIC IMPRESSIONS 27

SAMPLE CRITERIA FOR NEW PROGRAMS

6. *Anticipated* size, scope, and productivity
7. *Expected* revenues / resources generated
8. *Expected* expenses / costs incurred
9. Impact, justification, and overall essentiality
10. ~~Opportunity analysis~~ Alternatives considered

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APPLYING THE CRITERIA TO AN ACTUAL ACADEMIC PROGRAM EXAMPLE

ACADEMIC IMPRESSIONS 29

APPLYING CRITERIA

- Example involving the establishment of a BS in nursing for RNs with an associate degree
- Small college in the south
- Rare example of a college without excessive programming
- The strategic plan called for new programming in selected areas to attract increased enrollment

ACADEMIC IMPRESSIONS 30

CRITERION 1:
DEVELOPMENT & EXPECTATIONS

- The program has been developed by a senior academic administrator with a nursing PhD
- Tied directly to strategic plan
- There are no similar programs at any of the four institutions within the same geographic region

ACADEMIC IMPRESSIONS 31

CRITERION 2:
ANTICIPATED EXTERNAL DEMAND

- Market research has documented a current shortage of RNs with baccalaureate degrees at the local comprehensive medical center
- Additional research indicates strong interest among local RNs as well as among prospective employers in the region

ACADEMIC IMPRESSIONS 32

CRITERION 3:
ANTICIPATED INTERNAL DEMAND

- The nature of the proposed program is such that it does not address any established or anticipated internal demand
- The demands this program will place on other academic programs has been evaluated and can be accommodated with no increase in staffing

ACADEMIC IMPRESSIONS 33

CRITERION 4:
EXPECTED QUALITY OF INPUTS & PROCESSES

- Needed space is available and can be renovated to desired standard immediately upon program approval
- The academic administrator has identified several top-notch nursing educators interested in establishing the program
- The market data suggests that extremely well-qualified students are interested

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CRITERION 5:
EXPECTED QUALITY OF OUTCOMES

- Program is intentionally starting small and expects to graduate 90 percent of the initial cohort
- Because all admitted students already will be RNs, job placement rates are expected to be extremely high—potentially 100 percent

ACADEMIC IMPRESSIONS 35

CRITERION 6:
ANTICIPATED SIZE, SCOPE & PRODUCTIVITY

- Initial cohort is targeted at 15 students and is capped at 20 students
- Curriculum has been established and satisfies both national and state accreditation standards

ACADEMIC IMPRESSIONS 36

CRITERION 7:
EXPECTED REVENUES & RESOURCES

- The revenue budget consists solely of tuition and required fees of $468,000 for 15 students
  - This is offset by scholarship allowances of $108,000 for a net of $360,000
- Efforts will be initiated to generate private support through donations but no such revenues are being budgeted initially

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CRITERION 8:
EXPECTED EXPENSES & COSTS

- Projected expenses / costs ($336,000)
  - Compensation at $240,000
  - Supplies and equipment at $27,000
  - Professional development and travel at $9,000
  - Various additional costs at $29,000
  - Contingency at $31,000
- Projected surplus of $24,000

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CRITERION 9:
IMPACT, JUSTIFICATION, & OVERALL ESSENTIALITY

- The college's recent planning efforts demonstrate that it must grow enrollment
- Through a prioritization process, the RN to BS Nursing program was identified as the top option in terms of likely success
- Graduates will meet demonstrated local nursing needs

ACADEMIC IMPRESSIONS 39

CRITERION 10:
ALTERNATIVES CONSIDERED

- No alternative approaches to offering the nursing program were considered
- Other new degree programs are in development and will be brought forward in the near future
- The BS in Social & Behavioral Sciences is next on the list

ACADEMIC IMPRESSIONS 40

ADDITIONAL THOUGHTS

- By design, criteria are both objective and subjective
  - Both are needed for a proper assessment
- Consider establishing weighting for the criteria as some may be more important than others
- Use a standard proposal format

ACADEMIC IMPRESSIONS 41

QUESTIONS

ACADEMIC IMPRESSIONS 42

POLL

Q3: (if relevant) Does the process include some type of standard documentation?

Q4: (if relevant) Please indicate what the documentation addresses

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BUILDING A PRO FORMA BUDGET

ACADEMIC IMPRESSIONS 44

GUESSES IN MANY CASES

- Unlike traditional budgets, pro forma budgets represent guess work in that they are projecting with only limited prior experience
  - In some cases, no experience
- A distinguishing feature of a pro forma budget for a new program is that it must differentiate between expected *startup* costs and *continuing* costs

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STARTUP COSTS

- Most new programs will have some form of startup costs
  - This could include the initial complement of equipment, employee recruitment, licenses & permits, space renovation, etc.
  - Continuing costs are the same types of costs that are being incurred by other similar programs within the institution

ACADEMIC IMPRESSIONS 46

CONTINUING COSTS

- Examples of continuing costs include salaries & benefits, supplies & services, travel, dues & subscriptions, etc.

ESTIMATING ACTIVITY VOLUME

- There are two key considerations when building a pro forma budget
  - Estimating activity volume
  - Finding a comparable example
- We'll tackle volume first
- One of the most difficult aspects of pro forma budgeting is accurately estimating volume

ESTIMATING ACTIVITY VOLUME

- In our earlier example of a nursing program, the initial cohort is estimated at 15 and capped at 20
  - Nothing was said about falling short of the estimate but the risk exists
  - The budgeting process must recognize this possibility

ACADEMIC IMPRESSIONS 49

VOLUME DRIVES COSTS

- Some prediction of volume must be made in order to build the budget
  - Ranges tend to be best
- Volume drives both revenues and costs
- Recognize that both startup and continuing costs may vary based on expected volumes

ACADEMIC IMPRESSIONS 50

SELECTING A COMPARABLE PROGRAM

- Once the volume range has been set, the pro forma budgeting process can begin
- Finding a comparable program is helpful
- Except when an institution is embarking on a completely new activity, there usually are programs of a similar nature already operating

ACADEMIC IMPRESSIONS 51

COMPARING CONTINUING COSTS

- Identifying a similar program will be invaluable when it comes to establishing the continuing costs
- The specific continuing costs in the pro forma budget can be determined by comparing the similar program's volume with the expected volume of the new program and adjusting for the variance

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STARTUP COSTS

- The startup costs pose a different dilemma
- To some degree, the volume will dictate startup costs but there may not be a direct relationship
- For instance, if special instructional equipment is needed, it's possible that only one unit is required

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EQUIPMENT COSTS

- Alternatively, the nature of the equipment's use could dictate that a single piece of equipment can serve only x students
- For instance, from our nursing example assume one piece of equipment can serve 8 students
- If the estimate of 15 is accurate two pieces of equipment will suffice

ACADEMIC IMPRESSIONS 54

SPACE COSTS

- The program will be fine with up to 16 students but one more will dictate another piece of equipment
- Similar considerations apply to space so it's important that the pro forma budget include contingencies

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REVENUES

- The final consideration in pro forma budgeting is revenues
- The anticipated volume typically will drive revenues

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ADDITIONAL THOUGHTS

Once again, it's best to establish a range

- A popular approach is to prepare budgets for best case, worst case, and most likely case for three to five years
- These scenarios will provide the range of possibilities driven by volume and factors beyond the program's control

ACADEMIC IMPRESSIONS 57

ADDITIONAL THOUGHTS

In addition to the range of possible outcomes, the budget materials should address known or anticipated financial impacts on other institutional units / activities

ACADEMIC IMPRESSIONS 58

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BUILDING A COMPREHENSIVE REVIEW AND APPROVAL PROCESS

ACADEMIC IMPRESSIONS 59

GETTING PERMISSION UP FRONT

- Numerous reviews will be required before any new program or activity can begin
- Before starting the process, it is important to get a sense from local management whether they are receptive to the new program
- This is not a case of it being "easier to get forgiveness than permission"

ACADEMIC IMPRESSIONS 60

DEAN'S APPROVAL

- The reviews typically are conducted in a hierarchical sequence but there can be deviations
- Initial approval should be obtained at the department / division level
- The next approval should come from the dean of the unit
  - This approval usually carries a lot of weight

ACADEMIC IMPRESSIONS 61

ACADEMIC SENATE APPROVAL

- Once the dean's approval has been obtained, it is appropriate to submit the proposal to other areas
  - Academic senate approval is usually required for new degree programs
  - The faculty's curriculum committee usually reviews new proposed courses

ACADEMIC IMPRESSIONS 62

RISK / COMPLIANCE REVIEWS

- At the same time these reviews are being sought, it would be appropriate to obtain any required reviews by units such as general counsel, risk management, and finance
- Depending on the nature of the activity, it may be appropriate for the chief research officer to approve the plan

ACADEMIC IMPRESSIONS 63

FINAL INTERNAL REVIEWS

- The next critical review will come from the chief academic officer (CAO)
- Assuming it passes muster here, the final internal review usually is made by the president
  - It's possible, however, that this review actually is delegated to the CAO
- In many cases the board may be required to approve new degree offerings

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ADDITIONAL THOUGHTS

External reviews

- For new degree offerings, there likely will be a requirement to receive approval from the regional accreditor
- In addition, there could be a requirement to obtain approval from a department or agency within state government
  - This is likely true for public institutions and may be true for privates as well

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LESSONS LEARNED

ACADEMIC IMPRESSIONS 66

LESSONS LEARNED

- Ensure that the proposed program aligns with mission
- Be on the lookout for exaggerated claims regarding volume
- Ensure that contingency plans are included in case actual results differ from projections
- Identify the source of funds needed to cover any deficits that exceed the contingency

ACADEMIC IMPRESSIONS 67

LESSONS LEARNED

- Require that success measures be identified in the proposal
  - Identify milestones along the way
  - Don't wait to the very end to discover that the results cannot be achieved
- Require that some effort be devoted to developing planned responses if things don't develop as planned

ACADEMIC IMPRESSIONS 68

QUESTIONS

ACADEMIC IMPRESSIONS 69

EVALUATION

Thank you!

Please remember to complete the event evaluation. Your comments will help us continually improve the quality of our programs.

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