

The Story

- Fall 2011, Provost Hamilton charged a team to formalize and grow LSU's fully online graduate program offerings
- Consortium, build out internally, partner?
- Recommendation made and accepted in Spring 2012 to partner with vendor
- Fall 2012, contract executed with Academic Partnerships (AP)
- March 4, 2013 – Go Live!!

Program Basics

- AP provides market analysis, support for course development, marketing, recruiting and retention services
- Fully online graduate degree programs from Human Sciences & Education, Business and Engineering
- Accelerated course format
 - Seven week modules with 6 starts per year
 - Six hours = FT; Three hours = PT

Program Basics, cont'd.

- Priced per CH based on market analysis
- Students are eligible for federal financial aid, including veteran benefits
- Courses are delivered via LSU's LMS (Moodle)
- State authorizations are required
- Program will be managed by Academic Affairs

Business Model

- Developed to meet four objectives:
 - Students request for increased flexibility and access; affordability
 - Provide a new revenue stream and maximize the ROI of University resources
 - Self-sustaining
 - Incentivize Colleges and faculty

Business Model, cont'd.

- Shares the majority of net revenue with the College in which the degree program resides
- Ultimate goal is for Colleges to have a reliable source of funding to invest in adding faculty
- Let's walk through an example ...

Business Model, cont'd.

HRLD Program; 3 hr course

Total Revenue Collected (3 x \$417)	\$1,251
Less: Academic Excellence Fee	(72)
Less: Technology Fee	(15)
Less: Operational Fee	<u>(18)</u>
Gross Program Revenue	\$1,146
Less: Payment to AP (50% of Published Tuition Rate)	<u>(369)</u>
Net Program Revenue	\$777
Less: Revenue Share with Institution (35% of Net Program Revenue)	<u>(272)</u>
Net Program Revenue Retained by Department (65% of Net Program Revenue)	<u>\$505</u>

Current Challenges

- Inability to restrict program revenues
- Authority to move to a “true” market based rate

Future Plans

- Continue building out graduate offerings where there is market demand/faculty support
- Expand to include undergraduate programs



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