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 (18)
Gross Program Revenue $1,146
Less: Payment to AP (50% of Published Tuition Rate) (369)
Net Program Revenue $777
Less: Revenue Share with Institution (35% of Net Program Revenue) (272)
Net Program Revenue Retained by Department (65% of Net Program Revenue) $505
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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