TO: Dr. John R. Halstead, College President
FROM: The College Senate: 04/20/2015
RE: I. Formal Resolution (Act of Determination)
    II. Recommendation (Urging the Fitness of)
    III. Other, For Your Information (Notice, Request, Report, etc.)
SUBJ: Masters of Business Administration (#47_14-15GC)
Signed: ___________________________ Date: 4/20/15
(P. Gibson Ralph, 2014-15 College Senate President)

Please fill out the bottom portion and follow the distribution instructions at the end of this page.

TO: P. Ralph Gibson, College Senate President
FROM: John R. Halstead, College President
RE: I. Decision and Action Taken on Formal Resolution (circle choice)
    a. Accepted - Implementation Effective Date**: Fall 2016
    **Implementation of resolution requires final approval from SUNY- State Education Department. X YES ___ NO
    b. Deferred for discussion with the Faculty Senate on __/___/___
    c. Unacceptable for the reasons contained in the attached explanation

II, III. Response to Recommendation or Other/FYI
    a. Received and acknowledged __/___/___
    b. Comment: ___________________________ Date: 4/20/15
(Dr. John R. Halstead, President, The College at Brockport)

DISTRIBUTION: Upon approval, the College President will forward copies of resolutions to his staff who will, in turn, forward copies to their staff. The College Senate Office will post resolutions to the College Senate Web at http://www.brockport.edu/collegesenate/resolutions.
COLLEGE SENATE OFFICE
RESOLUTION PROPOSAL COVER PAGE
DEADLINE FOR SUBMISSIONS: FEBRUARY 28

Incomplete proposals will be returned and proposals received after the
deadline may not be reviewed until next semester.

INSTRUCTIONS
• Use committee guidelines available at brockport.edu/collegesenate/proposal.html.
• Prepare ONE complete document in Word format: include this proposal cover page, proposal, attachments and support letters from your
department chair and dean if applicable.
• Locate the Resolution # and date this proposal will replace at our “Approved Resolutions” page on our Web site.
• Email completed proposal to senate@brockport.edu. (General Education Proposals and questions go to dlamphro@brockport.edu in the Vice
Provost's Office first.)
• Make revisions on the paperwork emailed to you from the Senate office that shows the assigned routing number on top. Submit updated
document to senate@brockport.edu.
• Questions? Call the Senate office at 395-2586 or the appropriate committee chairperson.

1. PROPOSAL TITLE: Please be somewhat descriptive, ie. Use a course number and/or title, indicate if for GED code, etc.

Masters of Business Administration

2. BRIEF DESCRIPTION OF PROPOSAL:
The School of Business Administration and Economics proposes introducing an MBA for participants working in small- to
medium-sized enterprises in the greater Rochester region. This program will serve a substantial market that is currently not served
and develop general management expertise for the nearly 5,000 enterprises that constitute our working definition of small- to
medium-size. The program will be delivered using a punctuated residency model in which the curriculum will be delivered using
a combination of synchronous and asynchronous technology mediation and five weekend residencies. The participants will
progress through the curriculum in cohort with the curriculum lasting 24 months.

3. WILL ADDITIONAL RESOURCES AFFECTING BUDGET BE NEEDED? ___ NO _X_ YES EXPLAIN YES
As the School of Business Administration and Economics is fully deployed in support of its existing portfolio of programs, the School
anticipates needing three additional full time faculty, a full time administrator, a graduate program secretary and a curriculum
development specialist in order to support and deliver this program.

4. DESCRIBE ANY DATA RELATED TO STUDENT LEARNING OUTCOMES ASSESSMENT USED AS PART OF
THE RATIONALE FOR THE REQUESTED SENATE ACTION.
N/A

5. HOW WILL THIS AFFECT TRANSFER STUDENTS: N/A

6. ANTICIPATED EFFECTIVE DATE: Fall 2016

7. SUBMISSION & REVISION DATES: PLEASE DATE ALL REVISED DOCUMENTS TO AVOID CONFUSION.

<table>
<thead>
<tr>
<th>First Submission</th>
<th>Updated on</th>
<th>Updated on</th>
<th>Updated on</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/27/2015</td>
<td>3/25/2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. SUBMITTED BY: (contact person)
Name: Dr. Dan Petree (Dean)  
Department: School of Business Administration & Economics  
Phone: 585-395-2985  
Email: dpetree@brockport.edu

9. COMMITTEES: (Senate office use only)

<table>
<thead>
<tr>
<th>Standing Committee</th>
<th>Forwarded To</th>
<th>Dates Forwarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee</td>
<td>Standing Committee</td>
<td>03/03/15</td>
</tr>
<tr>
<td>Enrollment Planning &amp; Policies</td>
<td>Executive Committee</td>
<td>03/30/15</td>
</tr>
<tr>
<td>Faculty &amp; Professional Staff Policies</td>
<td>Senate</td>
<td>04/06/15, 04/20/15</td>
</tr>
<tr>
<td>General Education &amp; Curriculum Policies</td>
<td>Passed GEDs go to Vice Provost</td>
<td></td>
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<tr>
<td>Graduate Curriculum &amp; Policies</td>
<td>College President</td>
<td>04/21/15</td>
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<tr>
<td>Student Policies</td>
<td>OTHER</td>
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<tr>
<td>Undergraduate Curriculum &amp; Policies</td>
<td>REJECTED -WITHDRAWN</td>
<td></td>
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</tbody>
</table>

NOTES: RES # 27
Letter of Intent: Graduate Degree Program
Form 1B

Before submitting a proposal for a new program leading to a graduate degree, a SUNY campus must submit a cover letter signed by the Chief Executive or Chief Academic Officer and a completed Letter of Intent (LI) form to the SUNY Provost at program.review@suny.edu. The LI procedure is described at the end of this form.

<table>
<thead>
<tr>
<th>Section 1. General Information</th>
<th>Response (type in the requested information)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item</strong></td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> Institutional Information</td>
<td>List each campus (and its 6-digit SED Institution Code) where the entire program will be offered: The College at Brockport (230500) 350 New Campus Drive Brockport NY 14420</td>
</tr>
<tr>
<td><strong>b)</strong> Program Locations</td>
<td>List the name and address of each off-campus location (e.g., extension site or extension center) where courses (but not an entire program) will offered, or check here [x] if not applicable. If applicable, send documentation to show that SUNY policy on off-campus locations has been followed.</td>
</tr>
<tr>
<td><strong>c)</strong> Proposed Program Information</td>
<td>Will 50% or more of the program be offered at a distance? [x] Yes [ ] No</td>
</tr>
<tr>
<td><strong>Program Title:</strong> Masters of Business Administration</td>
<td><strong>Award(s) (e.g., M.S., Ph.D.):</strong> MBA</td>
</tr>
<tr>
<td><strong>Number of Required Credits:</strong> Minimum [36] If tracks or options, largest minimum [ ]</td>
<td><strong>Proposed Program Codes:</strong> <strong>HEGIS Code</strong> [0506.00] 6-digit <strong>CIP 2010 Code</strong> [52.0201]</td>
</tr>
<tr>
<td>If the program will be accredited, list the accrediting agency and expected date of accreditation: AACSB</td>
<td>If applicable, list the New York State certificate title(s) and type(s) to which the program leads:</td>
</tr>
<tr>
<td>If applicable, list the New York State professional licensure title(s) to which the program leads:</td>
<td></td>
</tr>
<tr>
<td><strong>d)</strong> Contact Person for Proposal</td>
<td>Name and title: Daniel L. Petree, Dean School of Business Administration and Economics Telephone: 585-395-5537 E-mail: <a href="mailto:dpetree@brockport.edu">dpetree@brockport.edu</a></td>
</tr>
<tr>
<td><strong>e)</strong> Chief Executive or Chief Academic Officer Approval</td>
<td>Name and title: Mary Ellen Zuckerman, Provost and Vice President for Academic Affairs Email for receiving comments: <a href="mailto:mzuckerman@brockport.edu">mzuckerman@brockport.edu</a> Date:</td>
</tr>
<tr>
<td>If the intended program will be offered jointly with one or more other institutions, provide the following information for each institution:</td>
<td>Partner institution’s name, CEO’s name and title:</td>
</tr>
</tbody>
</table>
Section 2. Program Summary

In 300 or fewer words, describe the proposed program, including its purpose, content, structure, and duration.

The College at Brockport proposes introducing an MBA for participants working in small- to medium-sized enterprises in the greater Rochester region. This program will serve a substantial market that is currently not served, develop general management expertise for the nearly 5,000 enterprises that constitute our working definition of small- to medium-size (fewer than 500 employees). The program will be delivered using a punctuated residency model in which the curriculum will be delivered using a combination of synchronous and asynchronous technology mediation and five weekend residencies. The participants will progress through the curriculum in cohort with the curriculum lasting 24 months.

Section 3. Institutional Mission and Planning

a) Explain the program’s relationship to the strategic plan of the institution and of SUNY.

The MBA fits the College’s strategic plan under the goals of offering high quality, rigorous academic programs, maintaining continuous curricular development and strengthening the graduate education profile of the College. This program also satisfies the Open SUNY call for technology-mediated programs in business and management.

b) Describe the program’s relationship to existing or planned programs in the same or related disciplines and expected impact on them.

The MBA would be offered by the School of Business Administration and Economics as a complement to the School’s strong existing undergraduate programs in business and our MS in Forensic Accounting. The target market is distinct from those of our existing program in that it would address the human capital development needs of the underserved market of professionals working in the target enterprises.

c) Summarize proposed arrangements for required external instruction (e.g., clinical instruction, agency placement, internships) and how those arrangements would affect other programs in the same facilities. Attest to the sufficiency of proposed off-campus external instruction for anticipated enrollment.

The curriculum will rely primarily on technology mediation with the exception of the five required weekend residencies which will be delivered at a suitable off campus location. As well, the capstone experience will consist of a mastery project sponsored and supported by the enterprises employing the program participants.

Section 4. Market Need and Demand

a) Explain the potential need for this program in terms of the educational and/or economic needs of the area(s) in which it is to be located, New York State at large and, particularly for doctoral programs, the nation.

Our market research disclosed that the fastest growing economic sector in the region is the small- to medium-sized enterprise. In focus groups conducted with leaders drawn from this sector it was confirmed that they currently do not have the depth of talent skilled to lead their rapid growth, that they desire an applications focused program conducted in cohort fashion and that technology mediation is the desired method of delivery. According to economic activity data obtained from Greater Rochester Enterprise, there are approximately 5000 enterprises in the region that meet the definition of small- to medium-sized, and that the vast majority of them have been established within the last 10-15 years, thus facing similar growth and scale challenges. According to a monthly survey conducted by Paychex Inc of 300,000 clients nationwide, the western NY region continues to experience very rapid growth in the small- to medium-sized enterprise sector, the highest rate of growth since 2004. The most recent data for small firms (those with fewer than 50 employees) reported employment growth for the month of January 2015 of nearly 1.2% which would represent an annual rate of growth of over 14%.

In addition, two focus groups were conducted during the summer of 2014, along with numerous one-on-one interviews of professionals from the area. Seven questions were framed to facilitate the focus group and
individual discussions. The questions were: (1) As you look ahead to the next five years, what concerns keep you up at night? How could additional education (specifically an MBA) help with these concerns?, (2) What would you expect from a graduate of a high-quality MBA program?, (3) What characterizes a high-quality MBA program (e.g., relevance)?, (4) What could a Brockport MBA offer that is currently not offered from other regional MBA programs?, (5) Would you be willing to allow your employees who are enrolled in the MBA program to work on a project from your enterprise so that they can apply what they have learned?, (6) What barriers would prevent your organization from funding/supporting an MBA? What barriers would prevent your employees from earning an MBA?, (7) What other issues, ideas or concerns would you like to share that we haven’t talked about thus far? The results of these focus groups were used during the development of the overall program objectives, its structure, and content in order to satisfy needs of local businesses.

b) Explain the need for the program in terms of the availability and capacity of similar programs offered by other SUNY campuses. If there could be a reasonable perception of duplication or redundancy, explain the rationale for adding this program.

A review of the current programs offered under Open SUNY disclosed that the only MBA program currently available is through SUNY Oswego. Examination of the curriculum of that program indicates that rather than a cohort based program targeted toward a robust sector of economic activity, the curriculum of that program is more traditional. While we believe sufficient demand exists within the greater Rochester region for the program we propose, offering it through Open SUNY would expand access to other small- to medium- sized enterprises outside the metropolitan area, provided students can meet the sponsorship and required residency expectations.

c) Identify similar programs at non-SUNY institutions, public and private, and what might be the potential impact on them.

Within the greater Rochester region, there are other MBA programs. However none are targeted at the fast growing small- to medium- sized market segment and none are designed to meet the needs of key individuals working full time in this segment and their employers. Further, none can approach the economic value proposition that this proposed program can deliver.

d) If the program is designed to prepare graduates for immediate employment, estimate employment opportunities and explain how the estimates were made.

The target market is fully employed. This program is designed to meet the continuing human capital development needs of the participants and their sponsoring organizations.

### Section 5. Resources and Enrollment

a) Does the institution have existing faculty qualified for this program? Explain what additional faculty will be hired?

No. As the School of Business Administration and Economics is fully deployed in support of its existing portfolio of programs we anticipate needing three additional full time faculty, a full time administrator and a curriculum development specialist in order to support and deliver this program.

b) What costs (in detail) are estimated for the program, including financial assistance for students? How will existing and/or anticipated resources address the costs?

We anticipate that human resource costs in the year prior to launch will amount to $450,000 to recruit and hire two full time faculty members, a full time administrator, a graduate program secretary and one curriculum development specialist ($120,000 per full time faculty member, $85,000 for an administrator, $38,000 for a secretary and $60,000 for a curriculum development specialist), as well as $15,000 for faculty development and
$12,000 for marketing and promotion. In the first year of the program we anticipate needing one more full time faculty member (at $120,000), faculty development of $10,000 per year for the next four years and $12,000 per year for marketing and promotion for each of the next four years. Total additional incremental investment is estimated to be $592,000. Since there are no slack resources available in the school at this time to devote to a new program of this scale, the entire investment will be made by the college as a whole.

c) Complete the table below and explain how expected enrollments were determined. Since expected enrollment may affect the future campus enrollment composition and totals, estimate the impact of the program on total campus enrollment.

<table>
<thead>
<tr>
<th>Expected Enrollment</th>
<th>When Program Begins</th>
<th>In Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time students</td>
<td>25-30</td>
<td>50-60</td>
</tr>
<tr>
<td>Part-time students</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These numbers were arrived at based on our focus groups and interviews, the number of small- and medium-sized enterprises in the area, and enrollment in similar programs elsewhere.

SUNY permits differential tuition for MBA programs and our financial performance projections for this program assume that we will charge that differential tuition ($600 per credit hour in academic year 2015-16). Further based on our review of precedents for similar programs offered by other SUNY comprehensives, we expect to be able to directly recover program delivery costs from participants. Assuming that the program attains steady state enrollment goals of 60 students per year by year three, we project positive net margins beginning in year two and increasing to approximately $260,000 per year by year five, representing an annual ROI of 46%. Further, we project that total incremental investment will be recovered by the 17th enrollment in year four.

In summary, due to the efficient design of the curriculum (cohorts producing high and predictable average section sizes, lockstep curriculum plan and reliance on punctuated residency rather than purely online or face to face delivery) coupled with the added marginal revenue from the SUNY approved differential tuition rate for MBA programs (approximately 1/3 higher than other graduate programs) the program is expected to generate positive net margins as early as year two and sustain healthy net margins and respectable ROI throughout the six year planning period, depending on how quickly enrollment approaches planned steady state of 60 per year.
Section 6. Curriculum

Provide a list of all courses in the curriculum to show the entire structure and content of the program. Expand or duplicate the table as needed for tracks, concentrations and specializations.

The program is not literally 24 months, but rather 3 (regular) semesters of instruction, plus an expected extra semester to complete the mastery project. At this time, we do not expect any instruction during the summer. Therefore, there are no concerns about how faculty on 10-month contracts will fulfill their teaching obligations in this program. This program will be staffed by the most appropriate combination of existing and new faculty. Hence, this is why the entire school’s faculty was invited to participate in the curriculum design process. In addition, we anticipate that the program will be launched within one year of final approval by SUNY and State Department of Education.

Participation as a faculty advisor for an MBA student’s mastery project is voluntary. Students that are at the stage of working on their final project proposals and/or final papers may occasionally need to interact with their faculty advisors during the summer. However, it is expected that advisors will have latitude over their schedules during the summer months, and the students’ schedule of advisement will be collaboratively determined with the advisor.

<table>
<thead>
<tr>
<th>Course Title</th>
<th>Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1. Leadership &amp; Organizations</td>
<td>3</td>
</tr>
<tr>
<td>S1. Marketing Management and Strategy</td>
<td>2</td>
</tr>
<tr>
<td>S1. Program and Project Management</td>
<td>2</td>
</tr>
<tr>
<td>S1. Applied Business Data Analytics</td>
<td>2</td>
</tr>
<tr>
<td><strong>First Semester Total</strong></td>
<td><strong>9</strong></td>
</tr>
<tr>
<td>S2. Applied Financial Analysis</td>
<td>3</td>
</tr>
<tr>
<td>S2. Leadership &amp; Team Building</td>
<td>2</td>
</tr>
<tr>
<td>S2. Managing Operations</td>
<td>2</td>
</tr>
<tr>
<td>S2. Managing Human Capital</td>
<td>2</td>
</tr>
<tr>
<td><strong>Second Semester Total</strong></td>
<td><strong>9</strong></td>
</tr>
<tr>
<td>S3. Internal &amp; Financial Control</td>
<td>3</td>
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<tr>
<td>S3. Strategic Organization &amp; Management</td>
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</tr>
<tr>
<td>S3. Global Supply Chain</td>
<td>2</td>
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<tr>
<td>S3. Managerial Decision Making</td>
<td>2</td>
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<tr>
<td><strong>Third Semester Total</strong></td>
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</tr>
<tr>
<td>Mastery Project Proposal</td>
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</tr>
<tr>
<td>Mastery Project</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total Required Credits</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>
Optional, Illustrative Questions to Consider:

For other SUNY campuses responding to the Letter of Intent

• Do you have a similar or related program?  • What has been your experience with the program?  • Would the introduction of this program have any effect, positive or negative, on your institution?  If so, please specify.  • Do you perceive a need for this kind of program?  • Does the program offer an opportunity for articulation or inter-institutional cooperation?

Your response must be in writing, from your President, and addressed to the President of the proposing campus, with a copy to the SUNY Provost at program.review@suny.edu.

Procedure for Letters of Intent (LI)

1. SCOPE. A SUNY campus must send an LI to the SUNY Provost at program.review@suny.edu before submitting a proposal for a new program leading to a graduate degree. Confirmation of submission will be an automated response that it has been received. Unless requested by the SUNY Provost, an LI is not required for a program leading to a graduate-level advanced certificate (also called a certificate of advanced study), for a new program being created from existing registered programs (e.g., multi-award programs and/or multi-institution programs), or for a new program being created from a track, specialization, or concentration in a registered program.

2. SUNY PROVOST’S REVIEW. The SUNY Provost’s Office reviews each LI for accuracy and completeness as well as for substantive issues, such as alignment with campus mission and SUNY policy, and requests changes when needed.

3. PUBLICATION FOR COMMENTS. Once an LI is acceptable to the SUNY Provost, it is announced on the SUNY Program Review listserv in a weekly Program Review Update, which starts a 30-day intra-SUNY comment period. The listserv includes all campus presidents, chief academic officers, and others upon request. The LI enables other SUNY campuses – particularly those with experience with related programs – to provide information to the proposing campus that can be used to construct a sound program proposal.

4. COMMENTS FROM OTHER CAMPUSES. The President of each interested campus must send comments within 30 days of an LI’s publication in the Program Review Update to the President of the proposing campus, with a copy to the Provost at program.review@suny.edu. Comments may include advice and suggestions about possible articulation opportunities, enrollment trends in related programs, and opportunities for cooperation, as well as concerns or objections.

5. FOLLOWING THE COMMENT PERIOD. Once the 30-day comment period for an LI ends, and any concerns and/or objections have been resolved, the campus must wait to receive a written approval letter from the SUNY Provost (or a designee) that also explains the selection process for external evaluators and/or other next steps.

6. EXPIRATION. An LI expires two years after the date of the approval letter from the SUNY Provost’s office. If the proposing campus does not submit a program proposal to the SUNY Provost before an LI expires, the campus must submit another LI to start the process again.
To: Graduate Curriculum Committee  
College Senate

From: James Spiller, Dean  
The Graduate School

Date: February 27, 2015

I am very happy to provide this brief letter of support for the proposed new 36 credit MBA program designed by faculty of the School of Business Administration and Economics.

The proposed program is the result of an extended process of market, resource, and accreditation analysis as well as curricular design and review of faculty assets in the school. The program's special emphasis on small business management is a positive and distinguishing feature, as is its flexible instructional delivery that would include distance learning with "executive" style weekend residencies for students.

Thank you for your consideration.
Date: 2/25/2015

To: Dr. Daniel Petree

From: Jeffrey S. Smith, Interim Associate Provost & CIO

Re: LITS Support for the Masters of Business Administration program.

Library, Information, and Technology Services is well equipped to support The School of Business Administration and Economics proposed Masters of Business Administration program. Among the areas where LITS can be of assistance are:

- The College utilizes a world-class Learning Management System (Blackboard).
- We have standardized on a synchronous learning tool to allow for remote course participation.
- We have Help Desk services available 24*7, year round.
- Library services are continually improving. Students have access to numerous Library databases and journals 24*7, as well as access to Drake Memorial Library’s vast resources and open hours of availability.
- We have a satellite Library located at the Rochester MetroCenter.
- We have recently upgraded the wireless network throughout the College, and MetroCenter.
- Students have access to a wide array of campus licensed software.
- Students can access our virtual computer lab 24 hours a day from wherever they are.
- Mobile apps will soon be available for all of our major enterprise systems.
- Technology enhanced classrooms are located across the campus and at the MetroCenter.
- There are instructional labs where students can learn hands-on, and open access computer labs for students to utilize during non-class time.
- Each student has personal file storage, and the ability to create a personal web space
- We enjoy an outstanding collaborative working relationship with the Brockport faculty

We are looking forward to working with you to help make this a success. If you have any questions, or need additional information, feel free to contact me.

Sincerely:

Jeffrey S. Smith
Interim Associate Provost & CIO
The College at Brockport
State University of New York
jsmith@brockport.edu
Phone 585-395-5470
Dr. Daniel Petree, Dean
School of Business

The College at Brockport
State University of New York
119B Hartwell Hall
350 New Campus Drive
Brockport, NY 14420

February 17, 2015

Dear Dan,

Drake Memorial Library strongly supports the proposal for the Masters of Business Administration (MBA). The program will provide tremendous graduate education opportunities for students from the small to medium sized business community. No additional resources in Drake Library are required at this time, although the library and the School of Business will work to ensure sufficient online materials related to the Business literature and resources are available as the program grows. Similarly, the demand for delivery of print materials (e.g., Interlibrary Loan) is not expected to be extensive, but will be monitored for possible impact. The Brockport MBA degree is a welcome addition to the campus. We wish the program every success moving forward.

Sincerely,

Mary Jo Orzech
Director, Drake Memorial Library
Library, Information and Technology Services
Addendum to MBA program proposal

To: Dr. Melissa Brown

From: Dan Petree

Re: Financial Projections for Proposed MBA

March 24, 2015

Thank you for asking for additional details regarding the financial implications for the proposed MBA program on behalf of the graduate curriculum committee. The details are contained in the business plan that has been developed and submitted for review and negotiation with the provost. Accordingly, while they are not yet “final” I am confident that the parameters of the final business plan will hew closely to the following.

• According to SUNY tuition policy, MBA programs are authorized to charge a differential tuition. The planned rate for academic year 2015-16 for in-state students is $600 per credit hour. That is the tuition revenue we have used in preparing our business plan. Of course actual tuition revenue is dependent on the size of the cohort in each of the business plan years. For year one, we project tuition revenue of $216,000 (20 students in the first cohort each taking 18 credit hours at $600 per credit hour). Program delivery expenses for year one are projected to total $367,570 of which $67,540 is directly recoverable from participants (based on precedent established by Empire State), producing a negative net margin in year one of $87,000.

• In subsequent years we assume tuition rates will increase by 2%. This is likely quite conservative, based on the most recent rational tuition plan experience. Assuming we have a full complement of 30 participants beginning the program in year two, added to the 20 participants completing the program from year one, total enrollment in year two is projected to be 50 students, each enrolled in 18 credit hours at $612 per credit hour generating tuition revenue totaling $550,800. Program delivery expenses for year two are projected to be $549,800 of which $126,800 is directly recoverable from participants, generating a positive net margin of $127,800—producing a planned ROI of 22.28%

• Assuming steady state enrollment in year three of 60 participants, net margin increases to $247,260 and ROI to 43.3%.

• Cumulative net margin is expected to exceed total investment (payback period) by the 17th enrollment in year four, and annual ROI is projected at 45% in year four and 46% in subsequent years. By year five, cumulative net margin is projected at approximately $350,000.

We have not modeled the program beyond five operating years (six counting the year immediately before launch), but assuming demand remains sufficient to achieve steady state enrollment at 60 participants, the program should generate annual net margins of approximately $260,000 for each succeeding year.

I hope this overview is helpful to the members of the graduate curriculum committee. Should you have additional questions, don’t hesitate to ask.