

0607-01

This policy was approved by Faculty Council on November 9, 2006.

## **CBA POLICY ON SELF-SUPPORT PROGRAMS**

### **1.0 POLICY PURPOSE**

- 1.1 The College of Business Administration (“CBA”) offers both graduate and undergraduate degrees using various programs that do not rely on support from the State of California (“Self-Support Programs”). The CBA’s current Self-Support Programs consist of its Fully Employed MBA program, Accelerated MBA program, and Bachelor’s programs offered in conjunction with international partners.
- 1.2 The viability of current and future Self-Support Programs is dependent upon the CBA conducting a thorough and continuous evaluation of the benefits (including non-monetary benefits) that it receives and the costs that it bears (including opportunity costs) from its participation in such programs.
- 1.3 Efficient faculty governance requires the full knowledge by the CBA faculty of the benefits and costs referred to in Paragraph 1.2. For this reason, extensive and frequent reports regarding these benefits and costs need to be available to the CBA faculty.

### **2.0 INITIAL REPORT**

- 2.1 During Academic Year 2006-2007, the appropriate committee (“Appropriate Committee”) will prepare a report (“Initial Report”) providing a strategic analysis of the CBA’s participation in the Self Support Programs. The Initial Report will be provided to the Faculty Council.
  - 2.1.1 In the case of graduate programs, the appropriate committee is the Graduate Programs Committee.
  - 2.1.2 In the case of undergraduate programs, the appropriate committee is the Undergraduate Programs Committee.
- 2.2 The Initial Report will, in part, outline all of the benefits (both monetary and non-monetary) that the CBA and its faculty have received as a result of the CBA’s past participation in the Self-Support Programs. This portion of the report will include:

- 2.2.1 A summary of the revenues and costs associated with prior and current Self-Support Programs. This summary will also include a calculation of the cash distributed to the CBA from the University College and Extension Services (“UCES”) in those programs. The format of this portion of the report will be similar to that shown in Schedule 1.
  - 2.2.2 A listing of the courses offered in the prior and current Self-Support Programs together with the names of the instructors teaching those courses. The format of this portion of the report will be similar to that shown in Schedule 2.
  - 2.2.3 A statement of the intangible benefits, if any, that have been received by the CBA from its participation in prior and current Self-Support Programs (e.g., enhancement of the reputation of the CBA and the CSULB).
  - 2.2.4 A statement of the marginal increased costs incurred by the CBA from its participation in the Self-Support Programs. These are the costs that are over and above the costs that the CBA would have had if it had only offered the regular (state supported) program (e.g., increased compensation, if any, received by persons directing the Self-Support Programs).
  - 2.2.5 A statement of resources that have been dedicated to the Self-Support Programs that could have been utilized for other purposes (e.g., office spaces, and/or faculty & staff salaries).
- 2.3 The Initial Report will also contain a checklist that will be used to evaluate the CBA’s participation in future Self-Support Programs, as well as, future cohorts of current Self-Support Programs (together with any future amendments thereto, “Checklist”). The Checklist will be based upon the cost/benefit analysis described in paragraph 2.1 above. The Checklist must include an estimate of the CBA’s ability to assign faculty, who will be able to maintain the quality of instruction offered by the CBA in similar courses.

<b>3.0 ANNUAL REPORTS</b>
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- 3.1 In Academic Years following 2006-2007, the Appropriate Committee will prepare a report (“Annual Report”) that summarizes the CBA’s participation in Self-Support Programs in the preceding Academic Year. The Annual Report will be provided to the Faculty Council.
- 3.2 The Annual Report will contain a summary of the revenue, costs and the cash distributed to the CBA by the UCES for Self-Support Programs operated during the preceding Academic Year. The format of this portion of the Annual Report will be similar to that shown in Schedule 1.
- 3.3 The Annual Report will contain a summary of the courses offered as part of the Self-Support Programs in the preceding Academic Year together with the names

of the instructors who taught those courses. The format of this portion of the Annual Report will be similar to that shown in Schedule 2.

- 3.4 The Annual Report will also contain any revisions that the Appropriate Committee considers necessary to the Checklist, Schedule 1 and/or Schedule 2.
- 3.5 The Annual Report will contain any other observations that the Appropriate Committee considers relevant to the CBA's continued participation in the Self-Support Programs (e.g., recommended changes in the agreement between the CBA and the UCES).

#### **4.0 FUTURE SELF-SUPPORT PROGRAMS AND/OR COHORTS**

- 4.1 Prior to the CBA's participation in a new Self-Supporting Program or a new cohort of a current Self-Supporting Program, the Appropriate Committee should prepare a recommendation to the Faculty Council regarding the advisability of such participation using the Checklist described in Paragraphs 2.2 and 3.4 above.
- 4.2 The CBA Faculty Council will review the Initial Report, the Annual Reports and the recommendations made pursuant to Paragraph 4.1 above. Based on these reports and recommendations, the CBA Faculty Council will forward a recommendation to the Dean regarding the CBA's participation in a new Self-Supporting Program or a new cohort of a current Self-Supporting Program before that participation commences.

(Sample)

### SCHEDULE 1 Summary of Revenues and Costs

	Program1 AY		Program2 AY	
Revenue:	\$315,765	100.0%	\$191,565	100.0%
Expenses:				
Site Assistance Expense:	\$10,008	3.2%	\$9,600	5.0%
Marketing Expense:	\$10,287	3.3%	\$10,263	5.4%
Food Expense:	\$7,792	2.5%	\$5,201	2.7%
Faculty Salary Expense:	\$64,992	20.6%	\$67,372	35.2%
Book Expense:	\$27,161	8.6%	\$18,023	9.4%
EESL Test:				
Travel:				
Coordination Pay				
Guest Speaker Pay:				
Graduation Expenses:				
CIE Processing Fee:				
Shipping Expense:	\$34	0.0%	\$160	0.1%
Total Direct Expenses:	\$120,274	38.1%	\$110,619	57.7%
Gross Profit From Program:	\$195,491	61.9%	\$80,946	42.3%
Overhead Charges:				
Campus Overhead Charge:	\$78,941	25.0%	\$47,891	25.0%
CERF Overhead Charge:	\$31,577	10.0%	\$19,157	10.0%
UCES Overhead Charges:	\$110,518	35.0%	\$67,048	35.0%
CBA Overhead Charge:	\$15,788	5.0%	\$9,578	5.0%
CBA Coordination Charge (Dept.):	\$15,788	5.0%	\$9,578	5.0%
CBA Dean Fund Charge:				
CBA Indirect Allocation:				
MBA Office Overhead Charge:	\$15,788	5.0%	\$9,578	5.0%
MBA Director Release Time Charge:				
Reimbursement of Copying Expenses:	\$3,672	1.2%		
CBA Overhead Charges:	\$51,036	16.2%	\$28,734	15.0%
Net Income From Program:	\$33,937	10.7%	(\$14,836)	-7.7%
Allocation of Profits:				
UCES (50%)	\$16,969	5.4%	(\$7,418)	-3.9%
CBA (50%)	\$16,969	5.4%	(\$7,418)	-3.9%
	\$33,937		(\$14,836)	
UCES Profits:				
Campus Overhead Charge:	\$78,941	25.0%	\$47,891	25.0%
CERF Overhead Charge:	\$31,577	10.0%	\$19,157	10.0%
Allocation of Profits:	\$16,969	5.4%	(\$7,418)	-3.9%
	\$127,487	40.4%	\$59,630	31.1%
CBA Profits:				
CBA Overhead Charge:	\$15,788	5.0%	\$9,578	5.0%
CBA Coordination Charge (Dept.):	\$15,788	5.0%	\$9,578	5.0%
CBA Dean Fund Charge:				
CBA Indirect Allocation:				
MBA Office Overhead Charge:	\$15,788	5.0%	\$9,578	5.0%
MBA Director Release Time Charge:				
Allocation of Profits:	\$16,969	5.4%	(\$7,418)	-3.9%
	\$64,333	20.4%	\$21,316	11.1%
Reconciliation With UCES Handout				
Reimbursement For Copying	\$3,672			
Used Loss of \$67,921 in FEMBA 6 (Missed subtracting \$6,435)( 50%)				
Boeing Combined in UCES Report Used Loss of \$9,453 in FY0304 (Missed subtracting \$1,950)( 50%)				
Amount Shown on UCES Handout	\$68,005		\$21,316	

(Sample)

SCHEDULE 2  
**SCHEDULE OF CLASSES**

Program1 AY (StartDate – EndDate)

<b>COURSE</b>	<b>FACULTY</b>	<b>DATES</b>	<b>SALARY</b>
Course1	Instructor1	StartDate - EndDate	10% Of Regular Salary
Course2	Instructor2	StartDate - EndDate	10% Of Regular Salary
Course3	Instructor3	StartDate – EndDate	10% Of Regular Salary
.....	.....	.....	.....

Program2 AY (StartDate – EndDate)

<b>COURSE</b>	<b>FACULTY</b>	<b>DATES</b>	<b>SALARY</b>
Course1	Instructor1	StartDate - EndDate	10% Of Regular Salary
Course2	Instructor2	StartDate - EndDate	10% Of Regular Salary
Course3	Instructor3	StartDate – EndDate	10% Of Regular Salary
.....	.....	.....	.....