

Contact: Rachel Boon

**REQUEST FOR NEW PROGRAM AT IOWA STATE UNIVERSITY:
BACHELOR OF BUSINESS ADMINISTRATION**

Action Requested: Consider approval of the request by Iowa State University for a Bachelor of Business Administration in the Ivy College of Business.

The Council of Provosts and Board office support approval of this program.

Description of proposed program. The Department of Management and Entrepreneurship in the Ivy College of Business is proposing a new undergraduate Bachelor of Business Administration (BBA) degree. The BBA “degree-completer” program is a general business online degree program accessible to students with some prior college experience. The degree is targeted to working professionals and new professionals with at least 45 credits of college education. The degree is intended to appeal to non-traditional students wishing to balance full-time employment (or other personal commitments) and the completion of a four-year degree in business from an accredited public institution.

This proposed degree furthers the strategic goals of the Ivy College of Business to provide innovative and effective educational opportunities to an increasingly diverse student body. In addition, this program furthers the land-grant mission of Iowa State by providing world-class education to an underserved population: prospective transfer students that wish to complete a four-year business degree completely online, as their other obligations may prohibit them from pursuing a residential college degree.

Similar to other degrees at the Ivy College of Business, BBA students would gain foundational knowledge of all functional areas in business by taking 24 credits of business core courses. BBA students would then select 24 credits of required and elective upper-level coursework in the business administration major. Courses in the major are specifically targeted to skill-building in the areas of negotiation and conflict resolution, international management, human resource management, management of diversity, sales and consumer behavior, supply chain management, project management, entrepreneurship, real estate finance and financial intermediation.

According to NCES (National Center for Education Statistics) during Fall 2018, out of all post-secondary degree institutions, 16.6% of students were enrolled exclusively in distance education at the undergraduate level. Fully online undergraduate education and programs with a distance-learning component have shown steady growth in enrollment from 2016 to 2018. In January 2019, BestColleges surveyed over 450 higher-ed administrators about their assessment of online programs, and 80% responded that the demand for online programs is expected to increase further. Among all online programs, business was identified as a top area of growth by survey respondents. Anecdotally, the Ivy recruitment staff receives weekly inquiries about completing online business degrees and is very excited to attract a new demographic of prospective students with this program.

Academic objectives. The primary objective for the BBA is to provide working professionals and other individuals with some college education the opportunity to refresh and increase their proficiency in all functional areas of business. The program pairs a rigorous foundation in business, with courses that specifically strengthen their managerial skills. The program is an

excellent fit for working professionals that have “risen through the ranks” and would like to progress in positions that typically require a bachelor’s degree. Students in the program will also benefit from professional career coaching. A career advisor will assist students on how to approach the job market for professional talent and to develop their job-seeking strategies. The Bachelor of Business Administration is significantly different in its curriculum from the Bachelor of Science programs at the Ivy College of Business. In addition, the BBA’s requirements in other ancillary areas are less than those for the Bachelor of Science programs. For example, BBA students are required to take 6 credits of college mathematics and statistics (compared to 9 credits in BS programs) and 3 credits of economics (compared to 6 credits in BS programs). This difference is deemed important in removing unnecessary “barriers to entry” for this population of potential students.

To meet the above goals, this proposed degree and its curriculum target three general categories of learning objectives:

- General business content knowledge (knowledge and technical expertise in all functional areas of business, including management, finance, supply chain management, management information systems, entrepreneurship and marketing)
- Some degree of specialized knowledge in sub-areas in business with the ability to focus on areas of particular personal or professional interest (financial intermediation, real estate finance, transportation, logistics, sales, or consumer behavior)
- Enhanced skills-based knowledge in the most critical management and leadership areas including entrepreneurship, human resource management, international management, management of diversity, and negotiation and conflict resolution

Relationship to existing programs at the institution. The proposed program does not duplicate any existing programs at the Ivy College of Business or at Iowa State more generally. All other majors at the Ivy College are geared towards students seeking specialized knowledge.

While the Ivy College has an exceptionally strong residential model that will be maintained, some current students have also enjoyed the flexibility of taking a few credits of instruction online. Since all courses in the BBA are currently part of other degree programs at the Ivy College, residential students would have more options to take a limited number of credits online if preferred. In addition, core courses in the BBA are also part of the general business minor for non-business students. Having more online options will make it easier for non-business students to fit additional credits in their schedule without delaying graduation plans.

Relationship to existing programs at other colleges and universities. Iowa State University would be the only Regent institution with an online Bachelor of Business Administration degree completer program. Tippie College of Business at the University of Iowa discontinued an online Bachelor of Science in management degree completer program in 2019; and while the University of Northern Iowa offers a BBA, the program is in-person and is configured as a general management degree. The UNI program is also not a degree completer program. While some private colleges and universities in Iowa offer programs with some similarities to the proposed online BBA, these schools may not have the number of PhD-level faculty that ISU does, nor the same depth of scholarly expertise in multiple fields in business, which is critical for the development of curriculum in this program. In addition, many BBA programs at private institutions offer emphasis or concentrations which is not envisioned for this program.

- St. Ambrose in Davenport has an online BBA degree.
- Mount Mercy University in Cedar Rapids has online BBAs with the following areas of concentrations: human resource management, management, marketing.

- Upper Iowa in Fayette has a variety of online bachelor programs with several areas of emphasis.
- Iowa Wesleyan in Mount Pleasant has a variety of online bachelor programs with concentrations.

Unique features. The proposed BBA is a natural fit for ISU. Iowa State is close to Des Moines, which has a strong technology and business sector. This creates a ready and easily accessible market for Iowa State students. The proximity of this market makes it easy to maintain contact with the companies hiring ISU students and to stay up-to-date on current changes in the industry which might affect the program. Another positive for the central Iowa location is proximity to DMACC (Des Moines Area Community College) and its branch campuses, which continue to be a large feeder of transfer students to the Ivy College. A program such as this, aimed at degree completers, would have a natural draw to students from this institution – along with transfer students from other nearby schools – namely Iowa Central and the Iowa Valley CC District (Marshalltown and Iowa Falls). Of course, this major could also serve students at other community colleges within and outside the state of Iowa.

Resources to establish a high-quality program. All required and elective courses in the BBA are currently taught as part of other degree programs at the college and there is capacity to accommodate the initial cohort of BBA students without a significant increase in the number of sections offered per semester. All core courses and several courses in the major have been successfully taught online or in a hybrid format for at least a few semesters. In addition, the College has recently hired a team of instructional designers from the Brenton Center at the ISU College of Agriculture and Life Sciences to execute an overall audit of online courses and implement quality improvements when necessary. All online courses will continue to be periodically reviewed by instructional designers to ensure quality.

Courses in the BBA will be offered in an asynchronous format to allow students to have maximum flexibility to study and review material at their own pace, which seems particularly important and appropriate for the intended audience/market for this degree. At the same time, students will have ample opportunities to interact with other students, instructors and teaching assistants through a combination of optional synchronous instructional periods (when appropriate), interactive feedback regarding coursework, moderated group discussions, online office hours, chats, team projects and other synchronous meetings.

BBA students will be able to take advantage of a dedicated academic adviser who will help them navigate the credit transfer evaluation process and make sure they take full advantage of their prior education on their path to degree completion. The student academic adviser will also periodically meet with the student to evaluate academic progress and graduation plans. In addition, each BBA student will also be assigned a dedicated career coordinator to support the student's professional development and job seeking strategies. Students in the BBA will have access to all of Ivy's career services and recruiting events including virtual career fairs.

Student demand. As noted above, the Ivy College of Business does not currently have a program that serves the growing population of students, in particular non-traditional students, seeking the completion of a four-year business degree completely online. Serving this population of students by providing an academically rigorous skills-based program directly contributes to Iowa State's land-grant mission. The Ivy College of Business commissioned the CyBiz Lab at Iowa State with a market analysis to determine the demand for an online BBA degree in Iowa. The consulting team noted that, according to the National Center for Education Statistics (2018 survey), Iowa post-secondary students are more frequently enrolled in some distance education (42.3%) than

the national average (35.6%). In addition, in 2019 the population of Iowa with some college but no degree was 348,099, while the post-secondary enrollment in 2019 was only 195,725, suggesting a large pool of Iowa residents potentially interested in a “degree completer” program such as this. Moreover, of those students with some college and no degree, 23% had been pursuing a bachelor degree in Business. Together these data clearly show a significant potential market for an online BBA degree completer program.

Workforce need/demand. The proposed BBA program may be of interest to companies that wanted to invest in developing their workforce, leading to one or more employer partnership programs. For example, one of the model programs reviewed by the CyBiz Lab team (UM Mass Amherst) features 19 employer partnership programs where partner companies receive a tuition discount for employee participation in the BBA. Separately from the CyBiz lab market analysis, Ivy College surveyed current employers about their interest in the BBA and in the potential pursuit of an employer partnership program. Information collected from this research indicates that a good source of students is likely to come from employers that are aware of and willing to partner in this program. The responses to two questions are of particular interest in determining this source of students. The first is the response of 55.1% (49 of 89 employers) indicating that they are likely to recommend this BBA to their employees. The second is the response of 55.3% (42 of 76 employers) indicating that they may be willing to partner with ISU to support this BBA program. These results indicate that there is good potential for demand of this program via these employer organizations.

Some comments made by employers on the survey also indicated the need for this type of program to cater to non-traditional students. One comment indicates that some young people need to gain experience to learn what interests them “before making a large financial investment” in their education. Another says it is “a great opportunity for working adults to complete or enhance their degree.” It is particularly important to take into consideration the views of employers regarding the overall picture of the potential demand for this type of program, since they are working with the target market of the BBA program.

Cost.

| | Total Costs |
|--------|--------------------|
| Year 1 | \$100,525 |
| Year 2 | \$160,840 |
| Year 3 | \$241,260 |
| Year 4 | \$321,680 |
| Year 5 | \$402,100 |
| Year 6 | \$482,520 |
| Year 7 | \$562,940 |

The proposed degree program will be funded through ISU’s existing proven financial model (Resource Management Model), and is expected to be fully self-sustaining over time. In addition, financial resources may also come from internal reallocations made within the college during the program’s startup phase. The level of reallocation will depend, in part, on the numbers of new students attracted to the proposed program, and the number of existing students who choose the proposed program over another program, based on standard and differential tuition rates. The proposed program will not be dependent on grants, contracts, gifts, central university resources, or reallocations between academic colleges.

In short, the financial resources for the program will come almost entirely from student tuition, and the program is projected to be self-sustaining. The tuition revenues shown above are based on the expected number of students in the program in the table shown in 4a and are based on both the standard tuition rate for freshman and sophomores and the differential tuition rate for juniors and seniors that the Ivy College of Business receives through the resource management model. The model assumes that all students are new to the university. The tuition rates are also increased by 2% each year to account for tuition rate increases needed to keep pace with the rate of inflation. The tuition figures only include estimates of major and differential tuition that the Ivy College of Business might receive. It is not possible to estimate the incremental amount of Student Credit Hour (SCH) tuition the college will receive as it will depend on the college's share of the total number of SCHs offered at Iowa State every semester.

Projected student enrollment.

| | Y1 | Y 2 | Y3 | Y4 | Y5 | Y6 | Y7 |
|---------------|----|-----|----|----|-----|-----|-----|
| Undergraduate | 25 | 40 | 60 | 80 | 100 | 120 | 140 |

Online BBA programs at large public institutions are well-established and quite large (in many cases enrolling over 500+ students), although obtaining exact information about enrollment in each program is somewhat difficult given the part-time status of many BBA students. While there are some smaller programs in Iowa, the college did not identify any close competitor to use for this benchmarking exercise. The most appropriate way to estimate initial enrollment likely is based on the available information on online educational trends as well as ISU's most recent transfer student enrollment.

As stated above, during Fall 2018, out of all post-secondary institutions, 14% of students were enrolled exclusively in distance education courses. The expectation is for the BBA program to grow total transfer enrollment by a similar percentage. In addition, the program hopes to recapture some of the students that have left Iowa State without a degree in business. Conservatively, the projection is for BBA students to represent about 10% of the average transfer enrollment over the past three recruiting cycles (267 students) for the first year of the program and to continue to grow by about 20 students per year. As a part of normal University collaborations with Iowa Community Colleges, the program faculty and staff will continue to work with all Iowa Community colleges to develop appropriate transfer plans or articulation agreements. Transfer plans for all Iowa CCs currently exist for existing business programs, so these would already account for the coursework included in this online degree, given it requires primarily existing courses.

Accreditation. The Ivy College of Business is reviewed every five years as part of the AACSB (Association to Advance Collegiate Schools of Business) Continuous Program Review process. The BBA program will be included as part of our business programs to be reviewed by AACSB at our next Continuous Improvement Review.

Evaluation plan. This program will be incorporated into the university's normal academic review process. That review process assesses whether the program is achieving its mission, providing high quality academic experiences, and fulfilling the enrollment and success metrics identified for the program. In addition to the academic program review, as a part of the college budgeting process the program will be monitored annually for achievement of enrollment goals.

Date of implementation. August 2021.

Letters of Support



November 30, 2020

Dean David Spalding
2300 Gerdin Business Building Iowa State University
Ames, IA 50011

Dear David,

I am pleased to provide a letter of support for your proposed Bachelor of Business Administration (BBA) online degree completion program within the Department of Management and Entrepreneurship at ISU. The program appears to be well thought out with foundational knowledge gained in all functional areas of business. The focus on skill building provides a strong developmental opportunity for your students.

A stylized signature in purple ink, appearing to read "i(IJ".

Leslie K. Wilson

Office of the Dean

Curriss Business Building 325 Cedar Falls, IA 50614-0123 Tel: 319-273-6240

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business.uni.edu

IOWA

**Tippie College of
Business**

Office of the Dean
University of Iowa
108 John Pappajohn
Business Building, Suite
C120 Iowa City, Iowa
52242-1994
319-335-0862
Fax 319-335-0860
tippie.uiowa.edu

December 9, 2020

Dean David Spalding Ivy College of Business Iowa State University
2200 Gerdin Business Building 2167 Union Drive
Ames, IA 50011

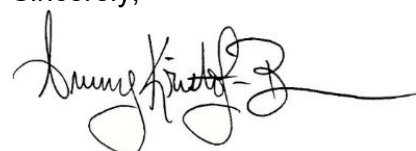
Dear Dean Spalding,

I am writing to offer our support for the Ivy College to launch a new online general bachelors in business administration (BBA) degree. The Tippie College had an online BBA and discontinued it because of low demand. We do believe that demand is there, and hope you are able to locate it.

The state of Iowa would benefit from our universities offering accessible ways to complete a business degree.

We wish you all the best in this important endeavor.

Sincerely,



Amy Kristof-Brown, Ph.D.
Henry B. Tippie College of Business Dean
and Henry B. Tippie Research Professor of Management & Entrepreneurship