

**New and Existing On-Line Program Revenue Sharing Policy**

**Purpose.** The purpose of the new revenue share (RS) policy, for new on-line programs and/or increased revenue generated from existing on-line programs, is to incentivize efforts to increase the University’s on-line presence and grow revenue. Importantly this means annual growth in on-line credits that does not come at the expense of the face-to-face version of the same program (i.e., there has to be a net increase in both on-line credits and total program credits).

**Program Eligibility.** Programs eligible for RS must be “fully” or “substantially” online. Substantially on-line programs have **at least 80%** of the required courses offered online.

**Program Baseline.** The total credits generated in these programs during AY2018-19 constitutes the program baseline. On-line credits generated above this baseline generates RS.

**Revenue Share Payout and Spending.** The calculation of RS payout will occur in the fourth quarter of each fiscal year (perhaps earlier). Distributions will generally be budgeted for spending in the following fiscal year. As the process sufficiently matures, and if RS determinations can be made earlier in the fiscal year (e.g. February or March), distributions could potentially be made for current year budgeting and spending to assist with marketing and/or program growth/development.

Revenue share balances will carry-forward after the first year of distribution. Requests to spend carry-forward shall follow the current request-approval process.

Marketing, growing and developing on-line programming are the primary spending priorities for RS funds. Spending on items not related to these priorities requires Provost’s Office approval.

**Examples.** The following examples demonstrate how RS will be determined:

Fully On-line (2 examples). Family Nurse Practitioner (FNP) Certificate

FY19: Baseline = 1,191 on-line; 0 F2F (1,191 total).

FY20: Credits = 1,300 on-line credits. 109 new on-line credits generate RS.

Item	Calculation	Amount
Gross Revenue (\$625/credit)	\$625 per credit x 109 credits	\$68,125
Fixed Instructional Costs (35%)	Gross revenue x 35%	\$23,844
Net Revenue	Gross revenue – Inst. costs	\$44,281
Department RS (30%)	Net revenue x 30%	\$13,284
Dean RS (10%)	Net revenue x 10%	\$4,428
Provost RS (15%)	Net revenue x 15%	\$6,642
University OH (45%)	Net revenue x 45%	\$19,927

**OR:**

FY20: Credits = 1,100 online credits. No RS based on the decrease in credits from 1,191.

Substantially On-Line (3 examples). Applied Linguistics (80% of required courses on-line)

FY19: Baseline = 1,113 on-line; 255 F2F (1,368 total).

FY20: Credits = 1,300 on-line; 200 F2F credits; net 132 credits generate RS.

Item	Calculation	Amount
Gross Revenue (\$625/credit)	\$625 per credit x 132 credits	\$82,500
Fixed Instructional Costs (35%)	Gross revenue x 35%	\$28,875
Net Revenue	Gross revenue – Inst. costs	\$53,625
Department RS (30%)	Net revenue x 30%	\$16,088
Dean RS (10%)	Net revenue x 10%	\$5,363
Provost RS (15%)	Net revenue x 15%	\$8,044
University OH (45%)	Net revenue x 45%	\$24,131

**OR:**

FY20: Credits = 1,300 on-line; 50 F2F credits. No RS based on decrease in total credits from 1,368.

**OR:**

FY20: Credits = 1,100 on-line + 300 F2F credits = 1,400; No RS generated, because the net increase resulted from a F2F rather than online increase.