RESOLUTION

concerning

FY1998-99 FEE SCHEDULE FOR COURSES OFFERED THROUGH CSU-ED ONLINE

August 21, 1998

WHEREAS, The Board of Trustees for the Connecticut State University System under its statutory authority - CGS 10a-99 - reviews and establishes fees for such purposes as the Board of Trustees deems necessary, and

WHEREAS, The Trustees agreed at their May 1998 meeting that the Chancellor and the University Presidents were to develop a plan to strategically position CSU as a leader in information technology, as learner centered universities, and as the hub of learning opportunities in Connecticut, and

WHEREAS, The Connecticut State University System is moving ahead with an initiative to offer a variety of on-line graduate and undergraduate courses, to be known as CSU-ED Online, and

WHEREAS, Recommendations regarding appropriate fees for on-line credit courses have been discussed by University management, System Office staff and the Board of Trustees, therefore be it

RESOLVED That the following fees are effective for FY1998-99 for on-line credit courses offered through the CSU-ED Online initiative:

<table>
<thead>
<tr>
<th>Student Type</th>
<th>Course Fee per Credit</th>
<th>On-line Fee per Course</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-State Student - Full Time</td>
<td>NA</td>
<td>$25</td>
</tr>
<tr>
<td>In-State Student - Part Time, Intersession, Summer</td>
<td>$190</td>
<td>$25</td>
</tr>
<tr>
<td>Out-of-State Student - Full Time</td>
<td>NA</td>
<td>$25</td>
</tr>
<tr>
<td>Out-of-State Student - Part Time, Intersession, Summer</td>
<td>$190</td>
<td>$25</td>
</tr>
</tbody>
</table>

and be it further

RESOLVED: That fees for non-credit courses offered through the CSU-ED Online initiative are to be established at the discretion of the Chancellor of the Connecticut State University System.

A Certified True Copy:

[Signature]

Lawrence D. McHugh
Chairman
ITEM
FY1998-99 Fee Schedule for Courses Offered Through CSU-ED Online

BACKGROUND
The Board of Trustees under its statutory authority - CGS 10a-99 - reviews and establishes fees annually for such purposes as the Board of Trustees deems necessary. In December of 1997, the Board of Trustees established tuition and fees to be effective at each university as appropriate for FY1998-99. Subsequently, in May of 1998, the Board of Trustees passed a resolution which froze tuition and extension fee charges at FY1997-98 levels.

ANALYSIS
At the time the FY1998-99 tuition and fee schedules were approved and established, on-line learning was not yet contemplated for the CSU System. Subsequently, in May of 1998, the Board of Trustees agreed that the Chancellor and the university Presidents should develop a plan to strategically position CSU as a leader in information technology, as learner centered universities and as the hub of learning opportunities in Connecticut. As part of fulfilling this strategic mission, CSU is moving ahead with an on-line learning initiative, known as CSU-ED Online, which will begin as a pilot program this year with an offering of thirteen courses in the Fall 1998 semester. A listing of courses to be offered in the Fall 1998 semester is attached to this Staff Report. It is intended that CSU-ED Online will eventually be self-supporting.

The costs involved in offering on-line courses entail such items as course development, advertising and marketing costs, and faculty support costs over and above those already incurred by the Universities. In addition, acquisition and maintenance costs for hardware, software and accompanying support services are also significant in an on-line venture. The recommended fees are essential and will provide partial funding for these costs in the early years of CSU-ED Online.

RECOMMENDATION
The proposed fees for CSU-ED Online for FY1998-99 be approved.
LIST OF ONLINE PILOT COURSES FALL 1998

1. Nature, Mind & Science (Controversies in Evolution)
2. Business Statistics 1
3. Educational Motivation and the Learning Process
4. Contemporary Applications -- Visual Basic
5. Introduction to HTML and Web Page Design
6. History and Criticism of Radio and Television
7. Political Economy of Labor Relations
8. Knowledge-Based Systems
9. Technology in the Classroom
   Educational Technology Seminar
   International and Cross-Cultural Education Seminar
10. Theoretical Foundations of Professional Nursing
11. Criminal Procedure and Process
12. Mathematical Modeling
13. Developmental Reading in the Elementary School

cld
8/13/98
ASSUMES 50% OF STUDENTS ARE FULL TIME, ONLY PAY $25 PER COURSE
ASSUMES 20 STUDENTS PER CLASS FY98-99 AND FY99-00, 30 STUDENTS PER CLASS FY00-01 AND FY01-02
ASSUMES 50% OF PART TIME, SUMMER, AND INTERSESSION STUDENTS ARE OUT-OF-STATE

Assume: Course Fees
1998-99: $200 per cr i/s, $250 per cr o/s + $25 reg. fee, $250 per non-cr course (avg)
1999-00: $210 per cr i/s, $265 per cr o/s + $25 reg. fee, $260 per non-cr course (avg)
2000-01: $220 per cr i/s, $280 per cr o/s + $25 reg. fee, $270 per non-cr course (avg)
2001-02: $230 per cr i/s, $295 per cr o/s + $25 reg. fee, $280 per non-cr course (avg)
$6,000 per consulting engagement

Assume: 13 courses Fall 98 (11 3-credit, one 2-credit, one 1-credit)
13 courses Spring 99
1 non-credit course -1999 (spring)
12 courses Summer 99
20 courses Fall 99
5 non-credit courses each sem.
50 courses Spring 2000
10 courses Summer 00 - 1st
10 courses Summer 00 - 2nd
5 consulting engagements - yr 2
120 courses Fall 00
20 non-credit courses each sem
150 courses Spring 01
75 courses Summer 01 - 1st
75 courses Summer 01 - 2nd
10 consulting engagements - yr 3
120 courses Fall 01
20 non-credit courses each sem
150 courses Spring 02
75 courses Summer 02 - 1st
75 courses Summer 02 - 2nd
10 consulting engagements - yr 4

Assume: 13 courses Fall 98 (11 3-credit, one 2-credit, one 1-credit)
13 courses Spring 99
1 non-credit course -1999 (spring)
12 courses Summer 99
20 courses Fall 99
5 non-credit courses each sem.
50 courses Spring 2000
10 courses Summer 00 - 1st
10 courses Summer 00 - 2nd
5 consulting engagements - yr 2
120 courses Fall 00
20 non-credit courses each sem
150 courses Spring 01
75 courses Summer 01 - 1st
75 courses Summer 01 - 2nd
10 consulting engagements - yr 3
120 courses Fall 01
20 non-credit courses each sem
150 courses Spring 02
75 courses Summer 02 - 1st
75 courses Summer 02 - 2nd
10 consulting engagements - yr 4

# of students
# of professors
Assume: 13 courses Fall 98 (11 3-credit, one 2-credit, one 1-credit)
13 courses Spring 99
1 non-credit course -1999 (spring)
12 courses Summer 99
20 courses Fall 99
5 non-credit courses each sem.
50 courses Spring 2000
10 courses Summer 00 - 1st
10 courses Summer 00 - 2nd
5 consulting engagements - yr 2
120 courses Fall 00
20 non-credit courses each sem
150 courses Spring 01
75 courses Summer 01 - 1st
75 courses Summer 01 - 2nd
10 consulting engagements - yr 3
120 courses Fall 01
20 non-credit courses each sem
150 courses Spring 02
75 courses Summer 02 - 1st
75 courses Summer 02 - 2nd
10 consulting engagements - yr 4

# of students
# of professors
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120 courses Fall 01
20 non-credit courses each sem
150 courses Spring 02
75 courses Summer 02 - 1st
75 courses Summer 02 - 2nd
10 consulting engagements - yr 4
## Year Budget

### Revenue

<table>
<thead>
<tr>
<th>Part Time, Summer, and Intersession Fees</th>
<th>Fiscal Year 1998-99</th>
<th>Fiscal Year 1999-00</th>
<th>Fiscal Year 2000-01</th>
<th>Fiscal Year 2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>186,750</td>
<td>323,750</td>
<td>5,600,250</td>
<td>1,873,125</td>
</tr>
</tbody>
</table>

### Expenses

#### Staffing

<table>
<thead>
<tr>
<th>Role</th>
<th>Fiscal Year 1998-99</th>
<th>Fiscal Year 1999-00</th>
<th>Fiscal Year 2000-01</th>
<th>Fiscal Year 2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Executive</td>
<td>29,333</td>
<td>44,660</td>
<td>45,330</td>
<td>46,010</td>
</tr>
<tr>
<td>Director</td>
<td>-</td>
<td>-</td>
<td>70,000</td>
<td>71,050</td>
</tr>
<tr>
<td>Marketing Representative</td>
<td>-</td>
<td>32,500</td>
<td>98,475</td>
<td>131,950</td>
</tr>
<tr>
<td>Administrative Support</td>
<td>9,880</td>
<td>10,176</td>
<td>45,000</td>
<td>45,675</td>
</tr>
<tr>
<td>Help Center</td>
<td>-</td>
<td>-</td>
<td>80,000</td>
<td>81,200</td>
</tr>
<tr>
<td>Course Developer/Trainer</td>
<td>-</td>
<td>-</td>
<td>120,000</td>
<td>121,800</td>
</tr>
<tr>
<td>Server Support</td>
<td>-</td>
<td>-</td>
<td>90,000</td>
<td>91,350</td>
</tr>
<tr>
<td>Fringe @30%</td>
<td>11,764</td>
<td>26,201</td>
<td>164,641</td>
<td>176,710</td>
</tr>
<tr>
<td>Total Staffing</td>
<td>50,977</td>
<td>113,537</td>
<td>713,446</td>
<td>765,745</td>
</tr>
</tbody>
</table>

#### Facilities

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal Year 1998-99</th>
<th>Fiscal Year 1999-00</th>
<th>Fiscal Year 2000-01</th>
<th>Fiscal Year 2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desks</td>
<td>11,000</td>
<td>15,500</td>
<td>49,500</td>
<td>-</td>
</tr>
<tr>
<td>PC's</td>
<td>5,100</td>
<td>5,100</td>
<td>32,900</td>
<td>-</td>
</tr>
<tr>
<td>Phones</td>
<td>1,300</td>
<td>1,400</td>
<td>8,100</td>
<td>3,600</td>
</tr>
<tr>
<td>Other</td>
<td>833</td>
<td>2,574</td>
<td>10,605</td>
<td>10,923</td>
</tr>
</tbody>
</table>

#### Assessments

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal Year 1998-99</th>
<th>Fiscal Year 1999-00</th>
<th>Fiscal Year 2000-01</th>
<th>Fiscal Year 2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Consultant</td>
<td>21,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Course Development</td>
<td>144,200</td>
<td>565,800</td>
<td>2,637,000</td>
<td>1,380,000</td>
</tr>
<tr>
<td>Registration/Billing</td>
<td>2,700</td>
<td>10,200</td>
<td>59,250</td>
<td>69,500</td>
</tr>
<tr>
<td>Advertising/Marketing</td>
<td>65,000</td>
<td>100,000</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Honoraria</td>
<td>5,000</td>
<td>10,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Travel/Training</td>
<td>10,000</td>
<td>10,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Professor Stipend</td>
<td>2,500</td>
<td>2,500</td>
<td>27,500</td>
<td>27,500</td>
</tr>
<tr>
<td>Professor Stipend</td>
<td>77,712</td>
<td>313,892</td>
<td>1,096,999</td>
<td>329,094</td>
</tr>
<tr>
<td>Legal Services</td>
<td>40,000</td>
<td>25,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Reassigned Time Cost</td>
<td>456,192</td>
<td>1,771,110</td>
<td>1,989,900</td>
<td></td>
</tr>
</tbody>
</table>

#### Purchases

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal Year 1998-99</th>
<th>Fiscal Year 1999-00</th>
<th>Fiscal Year 2000-01</th>
<th>Fiscal Year 2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Server</td>
<td>50,000</td>
<td>50,000</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Network Bandwidth</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>Course Development Software</td>
<td>30,000</td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Total Expenses

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>1998-99</th>
<th>1999-00</th>
<th>2000-01</th>
<th>2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>437,322</td>
<td>1,872,796</td>
<td>6,830,444</td>
<td>4,997,796</td>
</tr>
</tbody>
</table>

#### Addition/(Deduction) to Fund Balance

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>1998-99</th>
<th>1999-00</th>
<th>2000-01</th>
<th>2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addition</td>
<td>250,572</td>
<td>601,296</td>
<td>642,931</td>
<td>4,319,454</td>
</tr>
</tbody>
</table>

**NOTE:** The Board of Trustees allocated $220,000 in Systemwide reserves to fund the first year startup of CSU-ED Online. Current projections indicate that slightly more funding may be required. Another FY1998-99 projection will be developed in January as part of the Mid-Year Spending Plan Update, and funding may be revisited with the Board of Trustees at that time.