

Peru State College
Proposal to Add Business Finance Option to Business Administration
and Add Business Finance Minor

1. Descriptive Information

- A. Name of Institution: Peru State College
- B. Name of Program: Business Administration
- C. Degrees/credentials to be awarded graduates of the program:
Bachelor of Arts or Bachelor of Science in Business Administration - Business Finance option

Minor in Business Finance
- D. Other programs offered in this field by the institution:

Options: Accounting, Computer Management Information Systems, Management, Marketing, Human Resources and Risk Management, Public Administration

Minors: Accounting, Computer Management Information Systems, Management, Marketing, Human Resources and Risk Management, Organizational Leadership and Management, and Organizational Leadership and Global Issues, Public Administration
- E. CIP code: 52.0801
- F. Administrative units for the program: School of Professional Studies
- G. Proposed delivery site(s) and type(s) of delivery, if applicable: Online (initially) with courses potentially offered on the Peru State campus within 2 years
- H. Proposed date (term/year) the program will be initiated: Fall 2022

I. Description of Program:

The Business Administration-Business Finance Option provides an undergraduate education for students seeking a career in business and consumer finance, especially in agency ownership or entry-level finance positions. Peru State College's Business Finance Option is unique in its emphasis on development of the knowledge and skills necessary to succeed in accounting, banking, consumer and corporate finance, financial services, investments, insurance, and risk management.

The Business Finance option uses the same core as the existing Business Administration options. The requirements for both the new option and the new minor are outlined below.

Bachelor of Science in Business Administration -Business Finance Option

Business Administration Core Requirements (33 credits)			Credits
BUS	214	Introduction to Business Quantitative Methods	3
BUS	231	Principles of Financial Accounting	3
BUS	232	Principles of Managerial Accounting	3
BUS	251	Legal Environment and Contract Law	3
BUS	328	Principles of Marketing	3
BUS	335	Production Operations Management	3
BUS	339	Business Finance	3
BUS	373	Organizational Behavior	3
BUS	480	International Business	3
BUS	495	Business Policy	3
CMIS	300	Information Systems Management	3
Business Finance Option (24 credits)			Credits
BUS	234	Personal Financial Planning *	3
BUS	331	Risk Management and Insurance	3
BUS	332	Investments	3
BUS	353	Organizational Ethics	3
BUS	446	Financial Institutions and Markets	3
Select 3 of the following courses:			
BUS	337	Intermediate Accounting I	3
BUS	338	Intermediate Accounting II	3
BUS	419	Federal Income Taxes- Individual	3
BUS	420	Federal Income Taxes - Corporate, Partnerships, & Fiduciary	3
BUS	450	Advanced Accounting	3
BUS	425	Accounting Analytics *	3
BUS	347	Consumer Behavior	3
BUS	336	Marketing Research	3
BUS	355	E-Marketing	3
BUS	441	Internship	1-12
CMIS	360	Cyber Security	3
TOTAL 57 Credits			

* Denotes new course

Business Finance Minor

Required Courses			Credits
BUS	231	Principles of Financial Accounting	3
BUS	232	Principles of Managerial Accounting	3
BUS	234	Personal and Financial Planning *	3
BUS	331	Risk Management and Insurance	3
BUS	332	Investments	3
BUS	339	Business Finance	3
BUS	346	Financial Institutions and Markets	3
TOTAL 21 Credits			

Course Descriptions for New Courses:

BUS 234 Personal Financial Planning (3 credits)

An overview of personal and family financial planning with an emphasis on financial recordkeeping, planning your spending, tax planning, consumer credit, making buying decisions, purchasing insurance, selecting investments and estate planning.

BUS 425 Accounting Analytics (3 credits)

Students will develop the knowledge and skills related to the techniques and technologies used to analyze data with an emphasis on financial and non-financial data as it is linked to assessing financial performance, forecasting, decision making, and recommendations.

2. Centrality to Role and Mission

The College's mission states, "Peru State College provides students of all backgrounds access to engaging educational experiences to strengthen and enrich communities, Nebraska and the world." These programs contribute the mission of the College by providing our students an engaging educational experience while giving them additional opportunities after graduation. With its online availability, people already working in rural communities will have access to further their education, which will allow them to stay in their communities while completing the degree program. It is likely that graduates will return to rural communities in the State of Nebraska to serve in the financial services industry. It will also serve the state by preparing individuals for productive, fulfilling lives and by developing and nurturing the citizens and future leaders of Nebraska.

These programs also contribute to the achievement of the Peru State Institutional Learning Outcome that students will "Implement strategies to manage personal affairs, time, wellness, and finances." Additionally, the Business Finance minor will provide opportunities for non-Business Administration majors to gain important lifelong skills that will contribute to their financial security and success.

On August 6, 2020 Governor Ricketts signed LB1008, which includes funding for the Career Scholarship Program. As one of the Business Administration options, this program will be included in the Career Scholarship program.

3. Evidence of Need and Demand

A. Need for the program:

According to the Occupational Outlook Handbook, the growth rate for jobs in the finance industry is 6% annually, and the median pay for 2020-2021 is \$83,660 annually. Research from Burning Glass projects that by 2028, there will be more than 195,000 openings for Finance positions in the Lincoln, Omaha, Kansas City and Des Moines metropolitan areas, with nearly 60,000 of those openings in Nebraska.

According to the Nebraska Department of Labor, there were 3,845 Finance and Insurance openings in the state in November 2021 and 1,900 that are currently open on December 6, 2021. These openings were spread throughout the state, with a high concentration in Lincoln

and Omaha, areas served by Peru State College. Major employers such as the State of Nebraska, Mutual of Omaha, TD Ameritrade, Woodmen of the World, and many rural financial services firms are seeking entry level employees with skills in this area.

B. Demand for the Program:

Incoming and current students have requested this major for several years. Based on projections from an external consultant, we project 36 new online students for this program in the first year, with total students in the program at 63 in the second year, 109 in the third year, 105 in the fourth year and 100 in the fifth year. Students will be able to begin the program at any of the five (5) eight-week online sessions, which provides a rolling admission cycle.

4. **Adequacy of Resources**

A. Faculty and Staff Resources:

The majority of the courses required for this program are already being offered, and there is capacity to accommodate more students in many of the existing courses. The program may initially require overloads for some current faculty, course development fees, and the hiring of adjuncts who are experienced finance industry professionals. Courses may be taught as part of regular faculty load, depending on enrollments in other courses. A full-time faculty member may be needed within two years if the anticipated enrollment increases as a result of this program growth. Current faculty have qualifications to teach these courses and the College has long-serving and experienced adjuncts who are finance professionals.

B. Physical Facilities:

Physical facilities are sufficient for this program. Classroom space exists to add a section or two each semester, when the College is ready to teach the program on campus.

C. Instructional Equipment and Informational Resources:

No additional instructional equipment or information resources will be necessary.

D. Budget Projections for the first five years of program:

As the attached spreadsheets reflect, PSC expects adding .375 FTE for the first two years of the program, with an addition of a full FTE for the third year and beyond. The cost of this additional FTE, along with general operating funds to support the program, result in an overall expense of **\$293,109** across the first five years of the program.

Revenue from enrollment of current students who choose the Business Finance minor is calculated at zero, since the 21 hours of coursework will replace elective credit the students would have completed to meet the 120-credit degree requirement. The estimated revenue for the program is solely attributed to the additional tuition and fees that will be generated by new students who are recruited to PSC as a result of the new Business Finance degree option. PSC anticipates a net revenue of **\$1,444,798** across the first five years of the program.

5. Avoidance of Unnecessary Duplication

Business Finance is a popular curricular offering at other state institutions, with several institutions in the state and in surrounding states offering this option. According to IPEDS data, there were 479 completers in Finance in Nebraska in 2019-20. When compared to the 1900 current job openings in the state in this field, the current rate of completers is not keeping up with employment demand. Thus, an additional institution offering the program would seem to serve the state well.

Our program is unique in that it will be offered online. The Business Finance major offered online at Peru State will help to serve students who are place-bound and cannot attend college elsewhere. The option will help provide an academic pathway for students who select the unique fit and location of Peru State College and its mission of access and affordability.

The program is also designed to include courses that add to the human element of finance, such as organizational ethics and organizational behavior, along with risk management and insurance. Additionally, the programs seek to provide students with both traditional (in person) and remote work skills in an industry that has evolved rapidly to an online format to meet the needs of consumers.

6. Consistency with the Comprehensive Statewide Plan for Postsecondary Education

The proposal to add a Business Finance option at Peru State College is consistent with the Coordinating Commission for Postsecondary Education's Comprehensive Statewide Plan for Postsecondary Education and helps the state advance three major goals: meeting the educational needs of students, meeting the needs of the state, and meeting the needs through exemplary institutions.

This program meets the educational needs of students, as this program will offer lifelong learning opportunities that are responsive to students' and workforce needs as well as generate critical thinking skills with the knowledge and workplace skills needed to be successful employees.

The program also helps to meet the needs of the state by creating a knowledgeable, trained and skilled workforce. As evidenced by the high demand for positions in this field, this program will prepare students to fill these positions, serving in critical workforce areas.

Finally, the addition of the Business Finance option and minor will help Peru State College fulfill its role in an exemplary manner. The inclusion of the option within Business Administration, which is common at many of the College's peer institutions, will help the College compare favorably with those peers. Given that the option can be created with few additional new resources, it is an efficient way to provide additional access to student served by the College's mission.

TABLE 1: PROJECTED EXPENSES - NEW INSTRUCTIONAL PROGRAM

	FY 23 Year 1		FY 24 Year 2		FY 25 Year 3		FY 26 Year 4		FY 27 Year 5		Total	
	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
Personnel												
Faculty ¹	.375	\$9689	.375	\$9689	1.00	\$89,000	1.00	\$91,225	1.00	\$93,506	3.75	\$293,109
Professional ²												
Graduate assistants												
Support staff												
Subtotal	.375	\$9689	.375	\$9689	1.00	\$89,000	1.00	\$91,225	1.00	\$93,506	3.75	\$293,109
Operating												
General Operating ³		\$4800		\$0		\$1000		\$1000		\$1000		\$7,800
Equipment ⁴												
New or renovated space ⁵												
Library/ Information Resources ⁶												
Other ⁷												
Subtotal		\$4800		\$0		\$1,000		\$1000		\$1000		\$7,800
Total Expenses		\$14,489		\$9689		\$90,000		\$92,225		\$94,506		\$300,909

Expenses Defined:

- ¹Year 1-2: Instruction - Three adjunct sections of courses, including benefits
- ¹Year 3-5: Instruction - Full-time faculty cost is starting at \$65,000 plus benefits and the increased by 2.5% each year.
- ³Year 1: General Operating - Course development stipend to full-time faculty for 4 new/revised courses.
- ³Year 3-5: General Operating - Operating budget for new faculty (professional development, memberships, copies, phone and other office expenses).

TABLE 2: REVENUE SOURCES FOR PROJECTED EXPENSES - NEW INSTRUCTIONAL PROGRAM

	FY 23 Year 1	FY 24 Year 2	FY 25 Year 3	FY 26 Year 4	FY 27 Year 5	Total
Reallocation of Existing Funds ¹						
Required New Public Funds ²						
State Funds						
Tuition and Fees ³	\$125,939	\$220,393	\$381,315	\$367,322	\$349,830	\$1,444,798
Students in Program	36	63	109	105	100	
Other Funding ⁴						
Total revenue for new program	\$125,939	\$220,393	\$381,315	\$367,322	\$349,830	\$1,444,798

³ Assumptions for revenue generation:

- 18 credits taken per year @ \$299/credit, less payment to Archer, multiplied by the total number of students in the program
- Students identified in Years 2-5 include both new students and those retained in the program who are continuing coursework
- Students may enter program at each start date (Fall Term I, Fall Term II, Spring Term I, Spring Term II, Summer)
- The average number of credits takes into account the varying credit loads for students, depending on when they begin each fiscal year