Educational Innovation is a coordinated effort to create a sustained campus environment that maintains and enhances student learning while improving our capacities and generating new resources. As one part of the Educational Innovation effort, this document outlines opportunities for new long-term revenue generation.

**FUNDING SOURCES: FUTURE**

- Philanthropy
- Research & Technology Transfer
- Educational Innovation
- State Funding
- Tuition
- Auxiliary Revenue
- Administrative Excellence

**NEW REVENUE OPPORTUNITIES**

- Program Revenue
  - Create non-credit programs
- Program Revenue
  - Create new credit programs that serve non-traditional student populations (e.g., working professionals, non-residential audiences, non-degree seeking students)

1 Philanthropy is another source of support for new program revenue opportunities.
1. What is “program revenue”?
   • Funding model which allows programs to keep tuition generated on the Madison campus, rather than going into the general tuition pot
   • Viewed as “separate” from the 101 funding stream
   • Provides flexibility in face of 101 cuts

2. When can program revenue models be used?
   • Requires us to think about serving new audiences
   • Campus practice and system policy dictate that program revenue models can only be used when we are attracting new (non-traditional) audiences to educational opportunities that are not part of our usual program array
   • Need to think critically about who our new audiences might be, and why they need a university credential/experience
   • University credit and credentials most often tied to career advancement rather than enrichment (enrichment opportunities tend to be more successful as non-credit experiences)
   • The ability to attract new audiences will not be the same for every department. Some have obvious professional and workplace connections, and some do not

3. Program revenue models require new ways of thinking
   • Must consider program structure, customer focus, budgets, faculty/staff compensation, role of faculty, connections and relevancy to professions/workplace/industry, etc.
   • Not usually “easy money,” but potential way to keep department vibrant and relevant
   • Not the same as simply adding more students; more “regular” students may help institutional bottom line, but does not allow for using program revenue model
   • Program revenue models exist on campus, supporting ~10 accessible professional masters, several Capstone Certificates, and a host of non-credit experiences

• Attracting new audiences is tied to providing programs in accessible formats (evening, weekend, online, intensive)
• Critical Success Factors include: market demand, academic strength, and willing faculty/staff
• Program revenue tied to programs (degrees and certificates), not individual courses
Educational Innovation (edinnovation.wisc.edu): Critical Success Factors for Generating New Program Revenue

Market Demand

Existing Academic/Intellectual Strength

Willing Faculty/Staff
One facet of Educational Innovation includes increasing the number of well-designed programs that serve new audiences (e.g., working professionals, non-residential audiences, non-degree seeking students). Attracting new audiences often depends on offering learning opportunities in accessible formats (e.g., online, evening, weekend, compressed schedules, etc.). Educational opportunities designed for non-traditional students may be in a position to benefit from fiscal models that provide new revenue to the program as well as the school/college, department, unit and/or faculty. Current rules and practices dictate different fiscal models for different intended audiences. Below is a summary of possible fiscal models for new programs to consider.

<table>
<thead>
<tr>
<th>INTENDED AUDIENCE</th>
<th>DESCRIPTION</th>
<th>REVENUE</th>
<th>EXPENSES</th>
<th>PROS</th>
<th>CONS</th>
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| Traditional Undergraduate Student Population | • Create online/accessible courses for residential undergraduate students | • Tuition revenue would flow through traditional 101 process | • Development funded by school/college/dept, DoIT grants, Continuing Studies’ Summer Distance initiative, etc.  
• Delivery costs (faculty time, TAs) supported by 101 (summer or otherwise) | • Courses/program are developed and could be repurposed for other uses  
• Opportunity for faculty to work with Technology Enhanced Learning  
• Well-designed online courses can enhance student learning  
• May contribute to efficiencies from increased capacity and decreased time to degree | • Not eligible for program revenue fiscal model  
• School/college/dept will not receive additional revenue from new enrollments (Undergraduate tuition model set by UW System)  
• Requires 101 commitment |

| Undergraduate Degree Completion Program | • Develop a two-year undergraduate (junior/senior year) online curriculum designed to complete a four-year baccalaureate degree | • If online/accessible, can develop and operate on a program revenue model | • If non-traditional audience, Continuing Studies provides funding for development  
• Delivery costs paid for by tuition generated by program  
• Net revenue available for distribution amongst partners | • Net program revenue available for distribution  
• Supplements 101 budget | • Must have sufficient market demand to make fiscally viable |
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| Capstone Certificate | • Develop online/accessible Capstone Certificate program (post-baccalaureate, minimum 9 credits) allowing students with a bachelor's degree to obtain additional training and skills | • If online/accessible, can develop and operate on a program revenue model | • If non-traditional audience, Continuing Studies can provide funding for development  
• Delivery costs paid for by tuition generated by Capstone program  
• Net revenue available for distribution | • Net revenue available for distribution  
• Supplements 101 budget  
• Set tuition at graduate tuition rate  
• Transcribed credential  
• Flexibility in admissions (not Grad students) | • Must have sufficient market demand to make fiscally viable |
| Professional Masters Degree | • Non-thesis “applied” masters; general goal is producing well-rounded professionals with deep knowledge of their subject | • If online/accessible, can develop and operate on a program revenue model | • If non-traditional audience, Continuing Studies can provide funding for development  
• Delivery costs paid for by tuition generated by Masters program  
• Net revenue available for distribution | • Net revenue available for distribution  
• Set tuition at graduate tuition rate  
• Enhances strong industry connections | • Must have sufficient market demand to make fiscally viable |
| Non-credit Courses/Program | • Develop a collection of courses or a complete program that would serve learners who do not need academic credit | • Revenue based on cost per course and number of students enrolled  
• Program (faculty) retain revenue | • Outreach unit/Continuing Studies provides funding for development  
• Program responsible for delivery costs | • Net revenue available for distribution | • Pricing flexibility; cost per course not tied to UW-Madison tuition rates  
• Must have sufficient market demand to make fiscally viable  
• Administrative support needed for enrollment, coordination, etc. |
Glossary of Terms

**ACIS 5.4** UW System policy on “Programming for the Non-Traditional Market in the UW System.” Policy can be found here: www.wisconsin.edu/acss/acis/acis-5.4rev.htm

**CAPSTONE CERTIFICATE** Post-baccalaureate certificate with a focused curriculum (minimum 9 credits). Capstone certificates seek to “cap off” the undergraduate experience or to provide a focused educational experience in a format that is friendly to working professionals. The curriculum may represent a more practice-oriented subset of an existing graduate discipline or field of study

**COST RECOVERY** Funding model which allows programs to keep tuition generated on the Madison campus, rather than going into the general tuition pot. Tuition generated must be sufficient to pay all instructional and support costs associated with delivering a program

**COURSE** Individual academic unit within a program; may be subdivided into modules

**NONTRADITIONAL STUDENT**
- Nontraditional/adult students are a heterogeneous group. At UW–Madison, nontraditional/adult students may not have attended college directly out of high school, may have taken some time away from formal education, may have dependents, and/or may have a full-time job
- Adults learners unable to attend on-campus during the typical teaching day (ACIS 5.4)
- Nontraditional means students who are either: age 25 and above, part or full time at the undergraduate level; or students who are enrolled in programs delivered in a non-traditional manner, i.e., flexible as to time, place, media, or mode of instruction (UW System F44)

**PROFESSIONAL MASTERS** Non-thesis “applied” masters; general goal is producing well-rounded professionals with deep knowledge of their subject; generally designed in a format accessible to working adults

**PROGRAM** A series of courses linked together that lead to a certificate or a degree (ACIS 5.4)

**PROGRAM REVENUE** Funding model which allows programs to keep tuition generated on the Madison campus, rather than going into the general tuition pot. Tuition generated must be sufficient to pay all instructional and support costs associated with delivering a program

**UNIVERSITY SPECIAL STUDENT** Students who are enrolled in courses but are not enrolled in a degree program
- A Special or nondegree status student typically has an undergraduate degree, is taking one or more credit courses for personal or professional development, is satisfying pre-requisites for graduate or professional school admission, can be a degree-seeking student at a different institution, or is a pre-selected participant in a certificate program or other focused academic program

**FUND 101** General Purpose Revenue (GPR). GPR includes a mix of taxpayer dollars and tuition dollars

**FUND 104-2** Budget authority from UW-Extension to support credit programming that serves nontraditional student populations. Programs responsible for recouping all costs. Revenue in excess of expenses returned to school/college/department that generated

**FUND 131** Program Revenue (PR) funding structure. Budget authority from UW-Madison to support credit programming that serves new nontraditional student populations. Programs responsible for recouping all costs. Revenue in excess of expenses returned to school/college/department that generated