UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Academic and Student Success

ITEM: Approval of the Bachelor of Business Administration in Finance Degree at the University of Houston - Victoria

DATE PREVIOUSLY SUBMITTED:

SUMMARY: The Bachelor of Business Administration in Finance will prepare BBA students for successful careers in finance in the increasingly global economy. In addition to gaining finance knowledge, students will develop the strong analytical, problem solving, decision making, and electronic spreadsheet skills required for success in today's environment. Areas of concentration include capital markets, investment principles, and financial management.

SUPPORTING DOCUMENTATION: Program Description and Financial Pro Forma

FISCAL NOTE: See Financial Pro Forma

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of this item

COMPONENT: University of Houston-Victoria

PRESIDENT	**Philip Castille**	**DATE** 10/28/11
SENIOR VICE CHANCELLOR	**John Antel**	**DATE** 10/28/11
CHANCELLOR	**Renu Khator**	**DATE** 11/1/11

Bachelor of Business Administration (BBA) in Finance

University of Houston-Victoria

Congruence with System Goals and University Mission

The Bachelor of Business Administration in Finance from the University of Houston-Victoria addresses the system goal of extending access to high-quality educational programs. The program will also serve the University of Houston-Victoria's mission to serve the educational needs, promote the economic well-being, and advance the quality of life for the university and community through teaching excellence.

Program Description

The University of Houston-Victoria proposes the establishment of a Bachelor of Business Administration – Finance degree. The primary educational objective of the proposed program is to prepare BBA students for successful careers in finance in the increasingly global economy. In addition to gaining finance knowledge, students will develop the strong analytical, problem-solving, decision-making, and electronic spreadsheet skills required for success in today's environment. This program will require 120 credit hours for completion, and it will be administered by the School of Business Administration.

Student and Job Market Demand

According to the Bureau of Labor Statistics' *Occupational Outlook Handbook*, employment of financial managers is expected to increase by 7% to 13% through 2018. The Texas Workforce Commission estimate concurs, with a projected increase of 12.4% for approximately the same period. For the Houston MSA, these data points translate to approximately 40,000 new and replacement jobs over the next seven years. This program will be targeted at students who are currently working in some type of accounting or finance-related field who need a specialized undergraduate degree to enhance career advancement; as well as traditional students interested in pursuing a finance career in the future.

Program Duplication

The University of Houston, University of Houston-Clear Lake, and University of Houston-Downtown currently offer BBA degrees in Finance. In addition, Prairie View A&M University, Sam Houston State University and Texas Southern University offer the BBA in Finance. Area private schools, including Houston Baptist University, Saint Thomas University and Rice also offer the degree.

Faculty Resources

The program will utilize existing faculty resources, including four full-time faculty and adjuncts in the College of Business. An additional full-time, tenure-track faculty position is proposed based on enrollment and revenue growth.

New UHV BBA Program with Finance Concentration

Pro Forma

Assumptions

Faculty/Staff	Base Salary	Percentage of Program Assignment 1st Year	2nd Year	3rd Year	4th Year	5th Year
New Faculty, PhD in Finance	$ 99,299	50%	50%	50%	50%	50%
Existing Faculty - Ning	$ 112,158	25%	25%	50%	50%	50%
Existing Faculty - Garza-Gomez	$ 101,154	25%	25%	25%	50%	50%
Existing Faculty-Du	$ 99,299	25%	25%	50%	50%	50%
Existing Faculty-Metghalchi	$ 114,006	25%	25%	25%	50%	50%
Non-Faculty Staffing Needs	None	0%	0%	0%	0%	0%
Total FTE Allocation by Year:		1.5	1.5	1.75	2.5	2.5

Enrollments

	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Headcount	30	50	70	90	110
FTSE	**18**	**30**	**42**	**54**	**66**

Expenses

Staffing Appointments	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
New Faculty, PhD in Finance	$49,650	$49,650	$49,650	$49,650	$49,650
Existing Faculty - Ning	$28,040	$28,040	$56,079	$56,079	$56,079
Existing Faculty - Garza-Gomez	$25,288	$25,288	$25,288	$50,577	$50,577
Existing Faculty - Du	$24,825	$24,825	$49,650	$49,650	$49,650
Existing Faculty - Metghalchi	$28,501	$28,501	$28,501	$57,003	$57,003
Total Salaries	$156,304	$156,304	$209,168	$262,958	$262,958
Benefits @ 28%	$43,765	$43,765	$58,567	$73,628	$73,628
Annual maintenance & operations	8,000	8,000	10,000	10,000	12,000
Recruiting	5,000	3,000	3,000	3,000	3,000
Equipment	2,500	0	0	2,500	0
Total Non-Personal	15,500	11,000	13,000	15,500	15,000
Total Annual Expense	215,569	211,069	280,735	352,087	351,587

Revenue (based on FTSE)	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
University Tuition	84,499	140,832	197,165	253,498	309,830
University Fees	23,328	38,880	54,432	69,984	85,536
Subtotal	107,827	179,712	251,597	323,482	395,366
Higher Education Assistance Funds (HEAF)	7,500	5,000	5,000	7,500	5,000
Formula Funding	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Generated	0	19,838	19,838	109,111	109,111
Allocated to university operations (60%)	0	(11,903)	(11,903)	(65,466)	(65,466)
Net additional formula funding	0	7,935	7,935	43,644	43,644
Total New Revenue	115,327	192,647	264,532	374,626	444,011
Net Revenue	**(100,242)**	**(18,422)**	**(16,203)**	**22,539**	**92,424**

CONSENT ITEM 16.1 (8/9/16)
16-S-C16