**Close Little Rock AFB Site to Reduce MSOM Expenses**

The M.S. in Operations Management (MSOM) enrollments have decreased 30% in the past 3 years as tuition increased 5% per year[[1]](#footnote-1). Fall 8 Week1 MSOM enrollments are down an additional 10% with the fourth AY tuition increase of 5%. Cost reduction is necessary to maintain revenue for the University, COE and INEG. Little Rock AFB live/hybrid enrollments have declined for several years. The enrollments are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **AY 14-15** | **AY 15-16** | **AY 16-17** | **AY 17-18** | **Fall 18 8 Wk 1** |
| 102 | 50 | 10 | 19 | 0 |

ANNUAL OPERATING COSTS AND REVENUE

The annual costs operate the site include:

$ 62,982 site coordinator salary and benefits[[2]](#footnote-2)

$ 11,772 site costs (internet, telephone)

$ 74,754 Total Current Cost

The Air Force no longer allows recruiting on the base and students do not like to travel to the Jacksonville location. Drs. Dennis and Parnell traveled to Little Rock AFB in March 2017 to talk to the Education Officer and the Wing Vice Commander about the decline in enrollments. The Little Rock leaders believed missions changes at the base and an Air Force change to mask graduate degrees for some of the promotion boards contributed to enrollment decline. We are losing money keeping the site open. Twenty-six active students have taken one or more live courses. The MOU with the Air Force requires a “teach out” and 180 days’ notice. We will coordinate our closure actions with the general counsel. The 26 students will be able to complete their programs online.

OPPORTUNITY TO STAY IN LITTLE ROCK

The MSOM program wants to maintain presence in the capital. The Little Rock metro area is attracting live enrollments by other universities. Walton College has a new executive education site downtown. The site is proposed as a new University of Arkansas site and MSOM would offer courses compliant with HLC and ADHE guidelines below 50% of program completion prior to state approval. MSOM will pay a fee to Walton College per enrollment.

RECOMMENDATION

Close the MSOM Little Rock AFB site and use MSOM reserve funds for site/program for internet contract buy out ($9800) and furniture/equipment moves ($1000). Pursue a partnership with Walton College to provide courses at their Little Rock site and provide office space for advising services on site with Mr. Leonard Nethercutt, our fulltime faculty member living in Little Rock, supporting Little Rock area students.

1. The 3 year 5% tuition increase accounts for 82% of the enrollment variance. R2 = 82%. [↑](#footnote-ref-1)
2. Site coordinator is planning to move out of the Little Rock area; position is provisional. [↑](#footnote-ref-2)