

# IDAHO STATE BOARD OF EDUCATION

## ACADEMIC/PROFESSIONAL-TECHNICAL EDUCATION

### NOTICE OF INTENT

to initiate a

New, Expanded, Cooperative, Discontinued, program component or Off-Campus Instructional Program or Administrative/Research Unit

University of Idaho

Institution Submitting Proposal

#### College of Business and Economics / Finance Area

Name of College, School, or Division

Name of Department(s) or Area(s)

Indicate if this NOI is for an Academic  X  or Professional-Technical \_\_\_\_\_ Program

A New Expanded, Cooperative, Contract, or Off-Campus Instructional Program or Administrative/Research Unit (circle one) leading to:

**Finance with a Financial Planning Option**

(degree or certificate)

Proposed Starting Date: Fall 2004

#### For New Programs Only

#### FOR OTHER ACTIVITY:

Finance with a Financial Planning  
Option

Program (i.e., degree) Title & CIP 2000  
(CIP assigned upon receipt of NOI in  
Provost Office)

- Program Component (major/minor/option/emphasis)
- Off-Campus Activity/Resident Center
- Administrative/Research Unit
- Addition/**Expansion**
- Discontinuance/consolidation
- Contract Program

**This Notice of Intent has been approved by:**

\_\_\_\_\_  
College Dean (Institution) Date

\_\_\_\_\_  
Graduate School Dean (as applicable) Date

\_\_\_\_\_  
Chief Fiscal Officer (Institution) Date

\_\_\_\_\_  
Chief Academic Officer (Institution) Date

\_\_\_\_\_  
President Date

\_\_\_\_\_  
State Administrator, SDPTE Date

\_\_\_\_\_  
SBOE/OSBE Approval Date

**Before completing this form, refer to the "Board Policy Section III.G. Program Approval and Discontinuance.**

1. Briefly describe the nature of the request e.g., is this a new program (degree, program, or certificate) or program component (e.g., new, discontinued, modified, addition to an existing program or option).

**The Finance Major with a Financial Planning Option will be a new degree program. The course offering will draw heavily from the existing Finance major, and two new courses will also be part of the program.**

**One goal of this program is to achieve "Certified Program" status with the CFP Board. The primary benefit of this designation is that program graduates will qualify to sit for the CFP Exam. A Board certified program must meet rigorous standards and cover a variety of specific topics in seven different topic areas. The topics are based on a 1999 Job Study Analysis conducted by the CFP Board, which polled financial services professionals to identify important knowledge areas.**

**The 128 credit-hour undergraduate degree will contain the same University/CBE General Requirements and CBE Common Program Requirements as other CBE majors.**

**The proposed curriculum for the Financial Planning Option is detailed on the attached document entitled "Upper Division Check Sheet for Finance Major with Financial Planning Option," which details the structure of courses taken in addition to the University of Idaho/CBE General Requirements. There are 29 credit hours of CBE Common Program Requirements, 32 credit hours within the Finance Major and 6-12 credit hours of free electives. Contained within the 32 hours for Finance Major classes is a 21 credit hour Financial Planning Core that meets the curriculum standards required by the CFP Board for program certification.**

**The course will be taught with existing faculty and resources. The curriculum requires two new courses to be offered (BUS461 Retirement Planning and Employee Benefits and BUS462 Principles of Financial Planning); one section of each course will be offered each academic year. To accommodate these courses the Finance area is dropping BUS401 Investments, which was traditionally offered twice per year. BUS401 is being dropped because the topic coverage in that class is captured by other courses in the Finance curriculum such as BUS405 Portfolio Management and BUS408 Security Analysis. The end result is that the Financial Planning Option will provide two new course offerings, but with no net increase in the course load, allowing the program to be delivered with existing faculty resources.**

2. Briefly describe how the institution will ensure the quality of the program (e.g., accreditation, professional societies, licensing boards, etc.).

**The first method of external assessment to assure program quality is the initial and ongoing certification of the program by the CFP Board. Registering degree programs with the CFP Board is intensive process requiring a comprehensive application package. The CFP Board examines the curriculum, qualifications of the faculty, and accreditation of the college. The review process by the CFP Board takes about six months once the application package has been submitted. Certification of a program is good for three years and programs must submit annual update reports. Each program must re-apply for certification every three years.**

**The second method of external assessment will be feedback from the Department of Business Advisory Board for the College of Business and Economics. Input has been received from this advisory board in the development of the new degree program, and the members of the board (including practicing professionals from the financial services industry) have indicated their support for this program. Feedback from this board will be received on an annual basis.**

**The third external measure of assessment will be the number of scholarships and internships the program is able to attract. In addition, firms providing internships for students in the program will be asked to provide feedback on the preparation and performance of students who complete internships with their company.**

**Internal assessment will include program enrollments and graduation rates, graduate survey data, and subsequent pass rates for students who take the CFP exam.**

3. Duplication--Is this request unique to the system? If not, briefly describe the rationale for the duplication.

**There is no financial planning program, in either degree or certificate form, offered in the state of Idaho, and accordingly, this program will be unique to the Idaho higher education system. Moreover, there is a broad demand for programs of this type. While there are very few CFP registered programs in the northwest, there are many states with multiple institutions that offer a CFP registered programs (for example, there are four institutions in Colorado with CFP registered programs).**

4. Succinct statement of need for program or program modification. Include student and state need, demand, and employment potential. Attach a Scope and Sequence, DPTE Form Attachment B, for professional-technical education requests. **(Use additional sheets if necessary.)**

**The demand for professional certification is growing within the financial services industry, and the Certified Financial Planning (CFP) designation is the primary form of certification for professionals where financial planning is a significant component of their job. To obtain the CFP designation, individuals must qualify for and pass a 10-hour, two-day exam.**

**There is clearly a growing demand in the financial services profession for individuals with this training and professional designation. The most recent exam was given in July 2003. There were 1,963 individuals who sat for the exam (the pass rate was 57%, or 1,123 individuals). Since the exam adopted its current format in 1995 there have been 30,326 individuals who have sat for the exam, of which 22,275 have passed the exam on the first or subsequent try. (Source: CFP Board announcement, located at <http://www.cfp.net/media/release.asp?id=76>.)**

**The demand for educational resources for this profession is underserved in state of Idaho and in the northwest. Nationally there are currently 169 institutions that offer programs certified by the CFP Board. The eight-state region that includes Alaska, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming has only three of those programs. (Source: CFP Board website: <http://www.cfp.net/media/release.asp?id=70>)**

5. Describe how this request is consistent with the State Board of Education's policy or role and mission of the institution. (i.e., centrality).

**The University of Idaho Mission Statement commits it to offering a wide range of baccalaureate degrees, a continuing emphasis in business, and service to business and industry throughout the state and region. This new program will be consistent with each of those components of the mission statement.**

**The College of Business and Economics Mission Statement commits us to the delivery of undergraduate and selected graduate and professional programs that prepare individuals to excel in a competitive market. In addition, the Major Goals for the CBE include a commitment to seek continuous improvement in the quality of our programs. Once again, this program will be consistent with those missions and goals.**

6. Resources--Faculty/Staff/Space Needs/Capital Outlay. (Use additional sheets if necessary.):

Estimated Fiscal Impact:	FY <u>04</u>	FY <u>05</u>	FY <u>06</u>
<b>A. Source of Funds</b>			
1. Appropriated-reallocation	\$2,500 (See comment below)	\$2,500	\$2,500
2. Appropriated-new			
3. Federal			
4. Other: _____			
<b>B. Nature of Funds</b>			
1. Recurring *	\$2,500	\$2,500	\$2,500
2. Non-recurring**			
Grand Total			

\* Recurring is defined as ongoing operating budget for the program, which will become of the base.

\*\* Non-recurring is defined as one-time funding in a fiscal year and not part of the base.

**COMMENT:** The budget consists of two items.

1. Travel costs for the Financial Planning Program Director to attend the CFP Board's annual Program Director's Conference. Every registered program is required by the CFP Board to have representation at the annual conference. Total cost: \$1,500.

2. Instructional resources to be maintained by the Financial Planning program. The total annual cost is approximately \$1,000 as listed below.

Journal of Financial Planning	\$ 90
Financial Services Review	300
CFP Certification Exam Materials (Bysis/Dalton)	420
Other reference/instructional resources	<u>190</u>
Total	<u>\$1,000</u>

### **Financial Planning Option in Finance**

Required course work includes the university requirements (see regulation J-3), the college requirements, and:

Acct 315 Corporate Accounting and Reporting I (3 cr)

Acct 483 Federal Income Taxation (3 cr)

Acct 485 Estate Planning (3 cr)

Bus 302 Intermediate Financial Management (3 cr)

Bus 364 Insurance (3 cr)

Bus 405 Portfolio Management (3 cr)

Bus 407 Financial Institutions (3 cr)

Bus 408 Security Analysis (3 cr)

Bus 409 Problems in Financial Management (3 cr)

Bus 461 Retirement Planning and Employee Benefits (3 cr)

Bus 462 Principles of Financial Planning (3 cr)

Econ 343 Money and Banking (may be used to fulfill college core econ requirements) (3 cr)

Electives to total 128 cr for the degree