**COST AND REVENUE PROJECTIONS NARRATIVE** – Additional Document #2 (Word format)

**Introduction**

Note unique program characteristics that may impact budget projections, e.g., distance education, direct assessment competency-based, differential tuition/fee structure, cost recovery model, collaborative program delivery with other institutions, or the elevation of a submajor/emphasis.

**Section I – Enrollment**

This section includes both student headcount and student Full Time Equivalent (FTE) enrollments. The headcount figures in this section should match the enrollment figures listed in the program authorization document. If student FTE projections are lower than the headcount projections, describe how the student FTEs were calculated. New students are those who were not enrolled at the institution the previous semester. Continuing students are those who were enrolled at the institution during the previous semester. Count as continuing students those currently enrolled at the institution and whom the institution expects to change their course of study to the new program. Note any unique enrollment features of the program (e.g., cohort).

**Section II – Credit Hours**

This section highlights credits generated by the program and grounds staffing requests and/or the need to develop new courses/sections. Include only credit hour attributable to major/program requirements. Do not include degree credits attributable to general education program requirements. New credit hours reflect new courses or sections not previously offered by the institution.

Describe how credit hours were calculated. Note any unique features of the program model that will influence the need for new course sections, or if existing capacity will be used to meet demand. If the program will be offered as a collaborative, report the aggregate credit hours in the financial spreadsheet. In the narrative, detail how these credit hours will be distributed across collaborating institutions.

**Section III – Faculty and Staff Appointments**

Estimate the number of faculty/staff Full Time Equivalent (FTE) appointments needed to implement and sustain the proposed program. New faculty/staff include those who did not hold an appointment with the institution during the previous academic year. Continuing faculty/staffinclude those who have current appointments with the institution. Discuss the rationale for redirected appointments. If this is a collaborative program, discuss how faculty/staff FTE appointments will be shared.

**Section IV – Program Revenues**

Report both the short- and long-term tuition and non-tuition revenue sources that will support delivery of the program. If the program will eventually operate on a cost recovery basis, note the point at which expected revenues will fully support the program.

Tuition Revenues: Describe how new tuition revenues were calculated for new and continuing students unaccounted for in Section I.

Examples of how tuition revenue may be calculated and reported:

1. Based on student FTE enrollments multiplied by the published resident or nonresident full-time tuition rate reported in the program authorization document. If the FTE tuition is calculated for a bachelor’s degree program, please account for any reallocation of tuition revenues to support general education programming in Section V.
2. Using annual anticipated credit enrollment per student x student head count, multiplied by the per-credit resident or nonresident tuition rate. It is assumed that the actual per-credit-hour tuition rate may be lower given the credit tuition plateau.

Program/Course Fees: If applicable, describe how fees were calculated. These may include fees attributable to online courses or fees specific to the academic program.

Grants/Extramural Funding: If applicable, describe any program revenue from grant/extramural funds that will be applied to program implementation. Share how the allocation(s) to support students or program costs were calculated.

Program Revenue (PR): Describe any source of PR that will be generated or allocated from other units and used to offset direct and indirect program costs incurred during the growth phase of the program. Detail how the allocation and revenues were calculated.

General Program Revenue (GPR):Describe any source of GPR that will be allocated from other units and used to offset direct and indirect program costs. Detail how the allocation and revenues were calculated.

**Section V – Program Expenses**

Describe any new costs to the institution associated with the new program.

Expenses – Salary and Fringe: Detail the instructional and non-instructional expenses attributed to the proposed program. Discuss how salary and fringe were calculated, referencing faculty/staff FTE appointments reported in Section III.

Other Expenses: Detail and discuss any expenses related to the use of university facilities, capital equipment, operations, maintenance, and/or library. Detail other costs associated with supplies and expenses, such as marketing, program materials, charges for university services, or planned reinvestments in the program. Describe the nature of these costs in the narrative.

**Section VI – Net Revenue**

If positive net revenue, discuss how funds will be reinvested at the institution. If negative net revenue, explain how any deficit will be addressed.