

ITEM 126-1601-R0105 BUDGET

Budget Assumptions B.S. Natural Horsemanship The University of Montana-Western

Line items:

1. Use of Current Operating Funds

One-Half Quist salary/benefits + annual phone/data cost, incremented by 3 percent annually.

2. State Funding for Enrollment Growth

Factored in beginning year 3, per budget instructions formula

3. Tuition Revenue

Gross Incremental Tuition Revenue

Assumes 70% in state/30% out of state (one half of out of state WUE) with 70% lower division students and 30% upper division students and tuition increases of three percent per year beginning in year 2.

4. Reductions to Incremental Tuition

Reduction is taken at 60 percent after first year to cover estimated costs of academic and institutional support, fee waivers, and enrollment and expenditure contingencies. \$10,000 used in first year.

5. Program fees

No need for a program fee is currently anticipated

6. External funds

Arena space: \$100/hr X 18 hrs (1block course) X 2 courses = \$3,600 per semester X 2 semesters in year 1; 3 per semester in year 2 and 4 in years 3-5

Instructor costs: \$40/hr 3.5 hours (1/2 hour prep hence 3.5) = \$140/day X 18 days = \$2520 X number of courses shown above in *Arena space*. Inflation figured at 3 percent per year after first year.

7. Total Estimated Revenue

Calculated as C (Net Applied Revenue) + External Funds

8. Estimated Incremental Revenue

Personal Services

FTE

Please see my notes in the budget for my explanation and calculation. .50 UMW is ½ of Quist salary throughout with 3% increase as in **Revenue** above, growing to a 1.00 FTE in year 5, but additional .5 FTE is calculated at part time rate; La Cense increase is calculated at University formula; i.e., 1 course = ¼ time

Cost

Calculated as total of UMW instructor costs + La Cense instructor costs

Operating Expenses

- Supplies, etc. @\$1400 per year each year
- Phone/data @ \$384 per year each year
- Library @ 800 per year for years 1&2; @ \$500 per year for years 3-5
- Accreditation visit expenses in year 2 of \$2,400 (based on information from Sally Munday for 2 evaluators)
- Marketing@ \$2000 year one only
- Computer/printer in year 5 to support additional FTE @ \$2000

ITEM 126-1601-R0105 Budget Analysis

Proposed Program: BS, Natural Horsemanship

Campus: The University of Montana-Western

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | | | | | |
|--|-------|--|--|--|--------------------------------------|-------------------------------|--|---------------|--|-------------------|--------------------------------------|
| Estimated Enrollment | | | | | | | | | | | |
| FTE Enrollment | | 10 | 20 | 30 | 40 | 40 | | | | | |
| Estimated Incremental Revenue | | | | | | | | | | | |
| Use of Current General Operating Funds | | \$24,358 | \$25,077 | \$25,818 | \$26,581 | \$27,366 | | | | | |
| State Funds | | 0 | 0 | 0 | 0 | 0 | | | | | |
| State Funding for Enrollment Growth | | | | \$38,280 | \$38,280 | \$76,560 | | | | | |
| Tuition Revenue | | | | | | | | | | | |
| A. Gross Incremental Tuition Revenue | | \$35,710 | \$73,563 | \$113,655 | \$140,478 | \$144,692 | | | | | |
| B. Reductions to Incremental Tuition | @ 60% | \$10,000 | \$44,138 | \$68,193 | \$84,287 | \$86,815 | | | | | |
| C. Net Applied Tuition Revenue (A-B) | | \$25,710 | \$29,425 | \$45,462 | \$56,912 | \$57,897 | | | | | |
| Program Fees | | 0 | 0 | 0 | 0 | 0 | | | | | |
| External Funds (La Cense arena space & donated instructor time) | | \$7200/arena + \$10,080 instructor time = \$17,280 | \$11,124 arena + \$15,574 instructor time = \$26,698 | \$15,277 arena + \$21,383 instructor time = \$36,660 | \$15,735 + \$22,024 = \$37,159 | \$16,207+ \$22,685 = \$38,892 | | | | | |
| Other Funds | | 0 | 0 | 0 | 0 | 0 | | | | | |
| TOTAL Estimated Revenue (C + External?) | | \$42,990 | \$56,123 | \$82,122 | \$94,071 | \$96,789 | | | | | |
| Estimated Incremental Expenditures | | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost |
| Personal Services (initial .50 full time/remaining FTE at part time rate of \$2520 per class for La Cense) | | .50 UMW +.75 La Cense | \$23,974 +\$10,080 = \$34,054 | .50 UMW + 1.00 La Cense | \$24,693 + \$15,120 = \$39,813 | .50 + 1.25 | \$25,434 + \$20,160 =\$45,594 | .75 + 1.25 | \$28,597 + \$20,160 =\$48,757 | 1.00 + 1.25 | \$30,997 + \$20,160 = \$51,157 |
| Operating Expenses (Library acquisitions, supplies & phone/data costs; accreditation visit in year 2; computer/printer year 5) | | \$2,584 | \$4,984 | \$3,184 | \$3,184 | \$3,184 | \$3,184 | \$3,184 | \$3,184 | \$3,184 | |
| Equipment | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$2,000 | |
| Start-up Expenditures (marketing) | | \$2,000 | | | | | | | | | |
| TOTAL Estimated Expenditures | | \$38,638 | \$44,797 | \$48,778 | \$51,941 | \$56,341 | \$56,341 | \$56,341 | \$56,341 | \$56,341 | |
| Estimated Revenues Over/Under (-) Expenditures | | \$4,352 | \$11,326 | \$33,344 | \$42,130 | \$40,448 | \$40,448 | \$40,448 | \$40,448 | \$40,448 | |