

ITEM 120-2854-R0903 Attachment

Montana State University – Great Falls College of Technology
On-line Capacity Analysis and Plan for Non-resident Tuition

In its July 2003 meeting, the Board of Regents agreed to accommodate campus requests to price non-resident tuition for on-line courses operating under capacity at a level no less than 150% of resident tuition rates. At that time, the Regents requested that MSU—Great Falls College of Technology file for informational purposes a plan similar to the plan provided by MSU-Billings in May. In response, Montana State University—Great Falls College of Technology provides this analysis of excess capacity in on-line courses and a plan for using that excess capacity to tap the non-resident market.

Using the MSU-Billings model, the table below presents the excess capacity analysis for MSU—Great Falls College of Technology for the most recently completed academic year, 2002-03.

	Enrollment Capacity	Actual Enrollment	Excess Capacity	Percent of Excess Capacity	Number of Students Per Course
Summer 2002	765	569	196	25.6%	18.3
Fall 2002	1117	899	218	19.5%	19.3
Spring 2003	1277	945	332	26.0%	17.2
2002-2003	3159	2413	746	23.6%	18.3

The current cost of non-resident tuition and fees at MSUGF is **\$917.35** for 3 credits, a price that prohibits us from being in a competitive marketplace for non-resident on-line students. Our resident tuition and fees for 3 credits total **\$343.15**. In order to use our on-line courses at capacity or closer to capacity, MSUGF plans to offer these courses to non-resident students at a price 200% higher than the resident tuition rate. This would make the 3-credit offering available to non-resident students for **\$605.75**.

Using the enrollment data provided in the table above for 2002-03, the calculations for potential added revenues follow. We believe that the 200% level will make us competitive and provide additional revenues to subsidize the expenses of on-line offerings for our resident students. We plan to use this non-resident rate for on-line offerings beginning Spring 2004.

Non-resident On-line Tuition at MSUGF	
Tuition \$524.52 x Excess Capacity 746	\$391,292
Fees x Excess Capacity \$81.23 x 746	\$ 60,598
Total Net Tuition and Fees	\$451,890