

TIPS FOR COMPLETING BUDGET NARRATIVE & TABLE (DRAFT)

Academic Program Planning Workshop

June 19, 2009

1. **Detailed Budget Narrative:** The “Budget Narrative” section of the authorization proposal should clearly explain and designate all costs and resources required for the proposed program.
 - a. The budget narrative should reflect anything with associated costs mentioned in the authorization proposal and fully explain all figures that appear in the budget table.
 - b. “Current” costs and resources are those that are supporting existing personnel and/or courses that will be incorporated into the proposed program.
 - c. “Additional” costs and resources are those that will need to be added to the department/division/school budget to support additional personnel and/or courses required by the proposed program.
 - d. Costs and resources should balance. In special circumstances, the resources may exceed the cost.
 - e. Be Realistic. If the new program is approved, underestimated costs or overestimated resources will undoubtedly come up as concerns when the program undergoes review.
 - f. You can obtain assistance in developing the budget narrative and table from the institution’s budget office or the Office of the Provost.
2. **Tuition:** Indicate the tuition pricing plan for the new program. The tuition charged for the program must follow UW System tuition policies.
 - a. If you are planning to assess tuition for the program that is different than the standard tuition rates for your institution, please contact the academic planner assigned to the program early in the planning process.
 - b. Explain how tuition revenues have been estimated. For example, if the program is fee based, describe how you arrived at the estimated additional fee resources indicated for each year in the budget table: e.g., (A students)x(B credits a term)x(C cost/credit), and your rationale for this estimated enrollment.
 - c. Also provide information on what the program will do if enrollments, and tuition revenues, fall below what has been estimated.
 - d. If the program will be jointly offered by multiple institutions describe the tuition pricing and cost sharing arrangements among the partner institutions.
3. **Personnel Costs:**
 - a. **Use FTE:** Determine personnel costs based on the number of FTE that are needed to provide the academic program– do not use the total number of *individuals* in the department or affiliated with the program. Personnel should be based on the FTE required in the various personnel categories to deliver the new academic program.

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- b. FTE can be expressed as partial, for example, a specific academic program may only require .25 FTE classified staff.
- c. **Include Fringe Benefits:** Include fringe benefits in the costs for all personnel categories. Work with your institutional budget office to get the percentage used at your institution for estimating fringe benefit costs.
- d. **Assume Personnel Cost Increases:** Assume a standard pay increase from year one to two and two to three for all FTE. Get the standard percentage amount to use (generally 1-3%) from your institutional budget office.
- e. **Personnel Cost Figuring Examples:**
 - i. To determine what to list as current personnel costs: Include faculty and academic staff who are currently teaching courses that will be incorporated into this program. To calculate the number of FTE, determine the number of credit hours in courses currently being taught and divide by the normal faculty teaching load. For example, if there are currently eight 3-credit courses per semester that will be incorporated into the proposed program (24 credit hours total), and if the normal teaching load for a faculty member is 12 credits per semester, then the current number of FTE is $24 \div 12 = 2$. The current dollars should be based on the average salary & fringe benefits of the faculty or academic staff currently teaching the relevant courses multiplied by the calculated number of FTE. . (Note: It is not necessary to factor in whether the students taking the course are primarily enrolled in the major or are taking it as a part of a different academic program.)
 - ii. To determine Additional Personnel Costs use the same basic assumptions. The additional dollars should be based on the average salary and fringe benefits of the faculty or academic staff that will be reassigned or hired to teach the additional courses.
 - iii. Number of FTE and dollars for current and additional Program Directors, Graduate Assistants, classified staff or other personnel should be calculated using a similar method.
- 4. **Non-Personnel Costs:** Determine what percent of the total departmental or divisional supply and equipment budget, library allocation and computing costs are allocated to the proposed program. Estimate the additional non-personnel costs that will be incurred to support the program.
- 5. **Current Resources:** Identify the dollar amount for each source of funding (GPR, grants, gifts, fees, and other) that is currently supporting the courses that will be incorporated into the proposed program.
- 6. **Additional Resources:** Assume that no new general purpose revenue funds will be available. The budget narrative should explain the source and amount of reallocated resources: i.e., from another school, program, etc. It should also explain the source and amount of extramural grants or gifts if any are anticipated.

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Table of Estimated Total Costs and Resources

	FIRST YEAR		SECOND YEAR		THIRD YEAR	
COSTS - Current	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Faculty/Instructional Staff						
Non-instructional Academic Staff						
Classified Staff						
Graduate Assistants						
Non-personnel						
Supplies, Computing, etc.						
Capital Equipment						
Library						
Other (Define)						
Subtotal						
COSTS - Additional	#FTE	Dollars	#FTE	Dollars	#FTE	Dollars
Faculty/Instructional Staff						
Non-instructional Academic Staff						
Classified Staff						
Graduate Assistants						
Non-personnel						
Supplies, Computing, etc.						
Capital Equipment						
Library						
Other (Define)						
Subtotal						
TOTAL COSTS						
RESOURCES - Current						
General Purpose Revenue (GPR)						
Gifts and Grants						
Fees						
Other (Define)						
Subtotal						
RESOURCES - Additional						
GPR Reallocation (Specify source)						
Gifts and Grants						
Fees						
Other (Define)						
Subtotal						
TOTAL RESOURCES						