

Guidelines for Pro Forma Budget for New Academic Programs

All requests for new academic programs (certificate, online, undergraduate, graduate) must include a pro forma budget. The guidelines below were developed to establish a common set of assumptions for completing the pro forma budget using the long-term scenario-planning tool. This pro forma budget will also accompany any documentation submitted to the Alabama Commission on Higher Education (ACHE) and/or the AU Board of Trustees.

NOTE: When using the long-term scenario-planning tool, only new students, faculty, space, and expenses should be included:

Revenue

1. We are going to present total projected expenses and supporting revenues, tied to the budget model. In the scenario-planning tool, select the fiscal year in which the requested program will begin.
2. We will use your projected enrollment numbers and your projected number of new faculty and graduate assistantships, if any, to populate the scenario-planning tool.
3. Allocated tuition and state appropriation revenues will be based on the following assumptions:
 - a. Enrollment will be split 60% resident and 40% non-resident
 - b. Undergraduate and Master's students in the program will take 30 credit hours per academic/fiscal year. Please disclose the number of credit hours per student per academic/fiscal year for doctoral, online, and certificate programs.
 - c. For undergraduate programs, program faculty, on average, will teach one-third of the credit hours taken. For graduate programs, program faculty will teach all of the credit hours taken.
4. Direct Revenues such as differential tuition/course fees and distance learning fees will be calculated based on your projected enrollment numbers and proposed fee structure, if different from the published AU schedule of tuition and fees.

Expenses

5. We will make the following assumptions about any new employees:
 - a. New faculty will start at a salary equal to the average salary for his or her rank in that department in 2017-18, with a benefit rate equal to the current AU Fixed Fringe Benefit rate.
 - b. New non-faculty employees will start at a salary equal to the midpoint of the salary scale published for that job description, with a benefit rate equal to the current AU Fixed Fringe Benefit rate.
 - c. After Year 1, this person's salary and benefits will inflate by 3% annually.
6. Non-personnel expenses should include additional square footage for office/lab space (classroom space is allocated for the Provost); travel; expendable office and lab supplies; and technology.
7. Central Unit Allocations and contribution to the University's Mission Enhancement Fund will automatically calculate based on the inputs above.