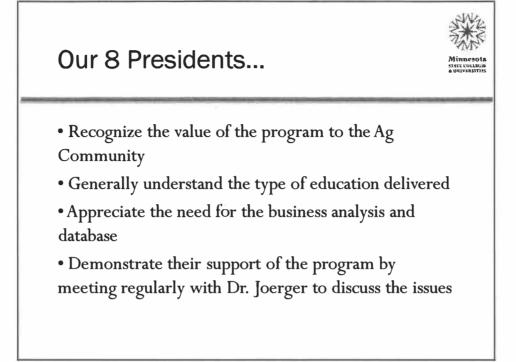
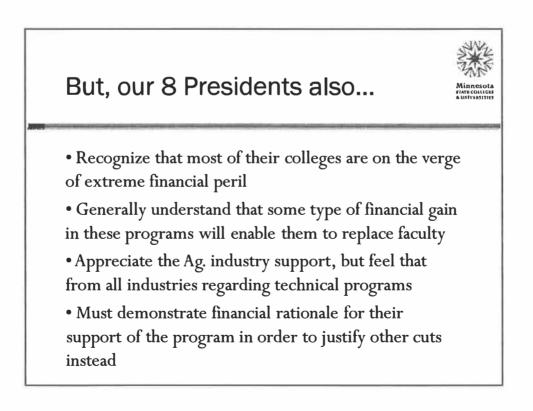
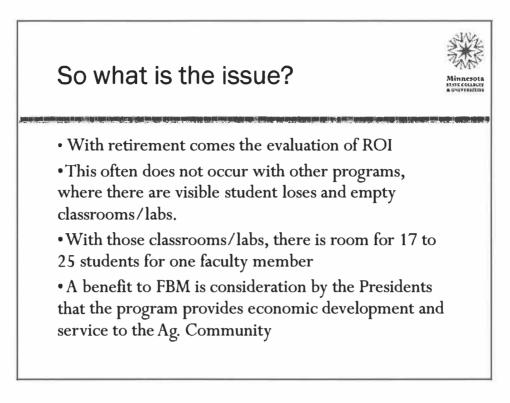


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How do the numb FBM Base Contract		Tech classroom	Base Contract
Salary:	\$60,000	Salary:	\$60,000
Fringe	\$25,200	Fringe	\$25,200
Supply/other	\$10,000	Supply/other	\$10,000
Total:	\$95,200	Total:	\$95,200
Credits:	347	Credits:	510
FYE:	11.57	FYE:	17.00
Tuition (\$140/ci	·): \$48,580	Tuition (\$140/c	r): \$71,400
Cost less tuition:	\$46,620	Cost less tuition	
Tuition as % of c	ost 51%	Tuition as % of c	cost: 75%
Challenge: Greater reduction in enrollm faculty	·	NOTE: 1 FYE (30 c \$140 per credit br of tuition to the c	ings in \$4,200

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FBM Base Co	ontract	FBM - 1.4 F	TE Contract
Salary:	\$60,000	Salary:	\$84,000
Fringe	\$25,200	Fringe	\$29,280
Supply/other	\$10,000	Supply/other	\$12,000
Total:	\$95,200	Total:	\$125,280
Credits:	347	Credits:	517
FYE:	11.57	FYE:	17.23
Tuition (\$140/ci	r): \$48,580	Tuition (\$140/c	r): \$72,380
Cost less tuition:	\$46,620	Cost less tuition	
Tuition as % of c	ost 51%	Tuition as % of	-

		75 FTE com	puro.	Mini
FBM Base Co	ontract	FBM75 F1	FE Contra	ct
Salary:	\$60,000	Salary:	\$45,000	
Fringe	\$25,200	Fringe	\$22,650	
Supply/other	\$10,000	Supply/other	\$ 8,000	
Total:	\$95,200	Total:	\$75,650	
Credits:	347	Credits:	260	
FYE:	11.57	FYE:	8.67	
Tuition (\$140/c	r): \$48,580	Tuition (\$140/c	r): \$36,435	
Cost less tuition	\$46,620	Cost less tuition	\$39,215	
Tuition as % of c	ost 51%	Tuition as % of c	ost: 48%	

What is the net per day at various levels?



	Base	1.2 FTE	1.4 FTE
Days in contract level:	171	34	34
Salary/Fringe per day	498.25	412.94	412.94
Credits/Day	2.03	2.25	2.75
Tuition/Day (\$140/credit)	284.2	315	385
Net Cost /Day	214.05	97.94	27.94

How does FBM compare to other programs? *

Other Progra	13 to 1	15 to 1	17 to 1	19 to 1	
FBM Contract level	Net Cost	40,600	32,200	23,800	15,400
Base Contract (1.0 FTE)	46,620	6,020	14,420	22,820	31,220
205 Day Contract (1.2 FTE)	50,950	10,350	18,750	27,150	35,550
239 Day Contract (1.4 FTE)	52,000	12,300	20,700	29,100	37,500

* Base salary = 60,000, Health = 15,000, FICA/Retir. = 17%, plus supplies.

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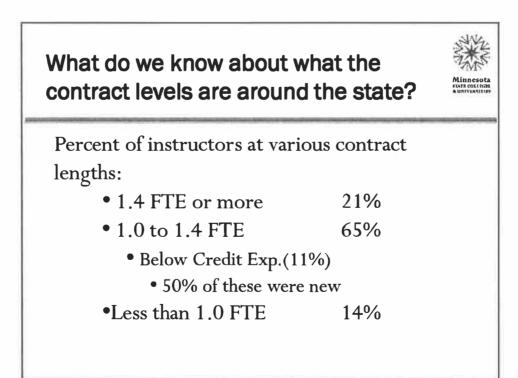
What is our statewide ratio?

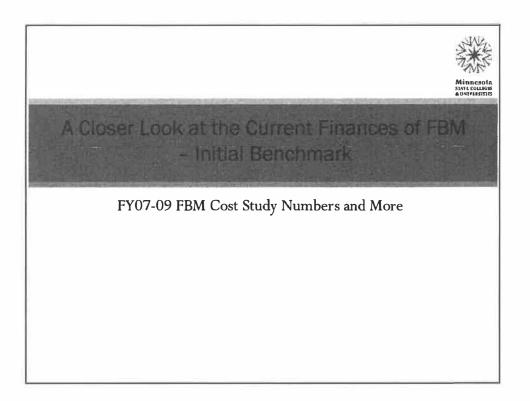


What does that tell us about how full all programs are? (1.0 FTE = 11.57, at 1.2 = 11.76, at 1.4 = 12.31)

Total for Farm Business Management (including Spec Crop and Lamb & Wool)	Faculty Headcount	FTE*	Student Headcount	FYE**	Number of sites	FYE to FTE Ratio
FY09	77	84	3539	960	57	(11.44)
FY08	79	86	3524	966	60	11.25
FY07	81	85	3411	935	63	10.97
FY06	80	85	3291	924	63	10,87
FY05	82	89	3344	940	66	10.60
FY04	87	97	3507	1014	69	10.44
FY03	92	103	4006	1085	72	10.57
FY02	98	111	3981	1162	75	10.51

** Full Year Equivalent - A full time student equivalent on a full load of 30 credits per year.





3 Year Ave Cost per FBM FYE



CIP 0101 - Ag Business & Management

Inst Id	Institution Name	LD FYE	LD Direct Instruction Expenditures	Direct Cost Per LD FYE
0203	Alexandria TC	17.83	125,965	7,063
0301	Central Lakes College	59.75	607,989	10,175
0209	Minnesota West College	129.68	1,085,893	8,374
0403	Northland College	187.14	1,542,730	8,244
0308	Ridgewater College	219.79	1,690,755	7,693
0307	Riverland College	180.75	1,483,326	8,206
0309	South Central College	223.24	1,731,642	7,757
0208	St. Cloud TC	26.80	218,733	8,162
	Totals:	1,044.99	8,487,033	
			Average	8,122

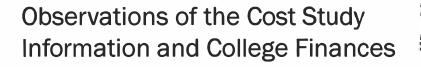
Observations of the Cost Study Information and College Finances



• Direct Cost per FYE (FYE equals 30 credits)for FBM over \$8,000.

•Tuition covers just over 50% of the direct costs •State allocation needs to cover the difference

•The old technical college system funding formula has changed from the model used up until merger.



•No significant loss in State Allocation when a college closes a program.

•New model rewards colleges with less cost than state average by program type and penalizes colleges programs with higher cost than state average.

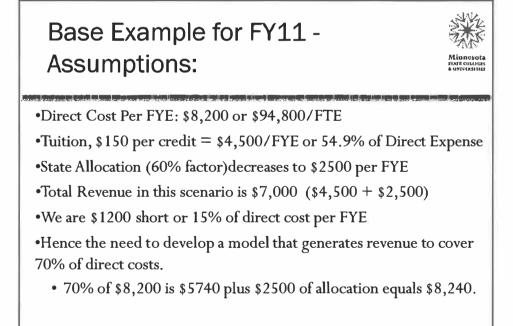
•On allotments are now a serious matter!

•Colleges have already eliminated weak programs and trimmed staff

FY09 Allocation Information by College:



Inst ID	Institution Name	FY2009 BASE Allocation	FY2009 FYE	FY2009 TOTAL BASE Allocation per FYE	FY 2009 Base Instructional Allocation per FYE
0208	St. Cloud TC	11,099,491	3,046	3,644	2,186
0301	Central Lakes College	11,952,140	3,020	3,958	2.375
0308	Ridgewater College	14,960,277	3,306	4,525	2,715
0403	Northland College	12,876,215	2,788	4,618	2,771
0309	South Central College	13.032.592	2,714	4,802	2,881
0203	Alexandria TC	10,449,830	2.063	5,065	3,039
0307	Riverland College	11,726,195	2,274	5,157	3,094
0209	Minnesota West College	11.713,710	2,088	5.610	3.366



Observations regarding the challenge of 2012 and beyond



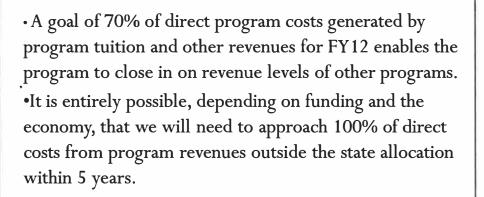
• State allocations are expected to be decreased by 15% over the FY 12-13 Biennium.

• That will equate to 1.5 to 2 million \$ decrease for most for our institutions.

•Employee Health Care Costs are projected to increase another 10% beginning in Calendar Year 2011.

• Currently at Northland Employee Health Insurance accounts for 12% of all costs for the college. Others would be similar.



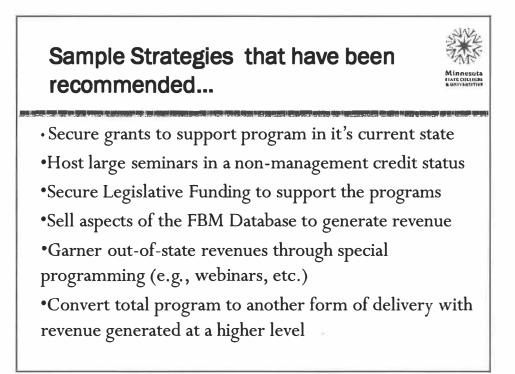


Given all this...Where is the potential to make a positive impact?



• If 2012 and beyond will cause more budget reductions, the choices are limited...

- Increase revenue in one or several ways, with limited focus on soft dollars. (~70% of cost from all revenue sources)
- Reduce costs without severely inhibiting the education delivered to the student.
- Change the program to the extent that both items above could be accomplished
- Do nothing and let the chips fall where they may as instructors retire.



Sample Strategies that have been recommended...



•Increase FYE to FTE Ratio

•Initiate new programs for Underserved and Unserved Populations (i.e., hybrid program of academic and continuing education)

•Enroll Secondary and/or AFNR students in Online Courses - USA

•Deliver Professional Development in FBM – USA

•Assign a Course Surcharge of \$10-40 Per Credit

