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Access the ROI Estimator at cbenetwork.org/resources
Overview

The Return on Investment (ROI) Estimator was designed to help calculate and predict the ROI and break-even point for CBE programs and potential new workforce partnership programs.

This model allows for baseline (existing) operating revenue and costs to be identified separately from the revenue and costs which would be associated with a potential new workforce partnership program that might be considered. This document includes an overview of the data needed to make these calculations, an explanation of the calculations being made to estimate the ROI and break-even point, and case examples of the questions this model answers.

As you prepare to use this estimator, it is important to consider the sources of information that you may need to reference for the necessary input data. A significant portion of data may come from your Academic Affairs office and your Budgeting/Finance/Business Services office. It may be useful for you to schedule an appointment with representatives from those respective offices to have a conversation about the project that you are preparing to undertake. Help them to understand the scope of this data request and its purpose. It may be useful for you to open this model spreadsheet to walk them through it to see what type of data is being requested and how it would be used. Some may wish to enter this data directly rather than providing raw exports of this data for you. Those are all important conversations to have to help them feel comfortable with the use of this data.

We would like to thank and acknowledge the great work of Carlos Rivers, Shonda Gibson, Erica Contreras, Tina Livingston and Paula Hanson in their published case study entitled, “Competency-based education: An evolution higher education business model” upon which the foundation of this ROI estimator is based. (Available at: https://doi.org/10.1002/cbe2.1179)

Structure

The ROI model is broken into two primary segments. The first segment focuses on baseline (existing) operating revenue and costs for existing programs and operations. The second segment focuses on program specific information that builds on the baseline data.

As you use this model, you can determine the scope of this information. The scope could be the entire operating revenue and costs for your entire institution or, this could be the operating costs of just existing College, Department or selected Program. You determine what the scope of your assumptions are as you select and prepare the data to enter into the model. A tab has been provided in the spreadsheet model for you to document your assumptions.

Within each segment of the model, there are three tabs. The first, yellow, tab is the input tab. This is where the primary data input should be done. All of the light yellow cells are data entry cells where you enter your institution and/or program specific data. (More discussion about what this data is and where to obtain it is provided later in this document.)

The second, green, tab is the calculations tab. This tab displays the calculations based on the data that you provided in the input tab. This tab starts with a basic Profit & Loss (P&L) at the top and then works down through FTSE (full time student equivalent) calculations, revenue information, and then direct and indirect cost information.

The third, blue, tab is the chart or visualization tab. This tab displays charts based on the data provided in the input tab and the calculations displayed on the calculations tab. This tab is intended to help you interpret the data and calculations, and provide visualizations of the data to identify trends and comparisons that might be more difficult to identify when just viewing the numbers.

This series of tabs is then repeated for the Program specific information in the second segment. In the Program tabs, these data are added on the baseline operation data provided in the first segment tabs. The colors and the overall explanations for the tabs are the same. The second segment differs from the first segment by including costs of the new program (which will be explained in more detail in the costs section of this document).
Operating Input Tab (yellow)

This tab provides a framework for entering operations information for up to 10 years. All of the light yellow colored cells on this tab are for data entry.

At the top of the sheet, enter the name of your institution and the name of the College, Department or Program if this data represents a subset of your institution. Enter the Academic Year in cell C8 and the remaining years will automatically populate. However, if you want to enter a text based value (like FY2015 or AY15-16) in those fields, you can override the formulas and enter your own values. Row 9 allows you to enter a status indicator for each year such as actual, estimated, projected, forecast, etc.

You are not required to use all 10 years of this model. This model has been built to provide 10 years of total data if you have historical data that you would like to compare with estimated, forecasted or projected data going into the future. However, you should not feel obligated to provide data for all 10 years. You can complete as few or as many years as you would like, based on your specific needs.

Best Practice Tip: As you prepare this spreadsheet, keep track of your scope considerations and decisions on the Assumptions tab for reference later.

Semester Credit Hour Production

This represents the total semester credit hours produced at your institution (or subset thereof) by level of instruction, undergraduate and graduate. Your Academic Affairs office may be able to help provide this information.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Estimated</td>
<td>Estimated</td>
<td>Estimated</td>
<td>Estimated</td>
<td>Estimated</td>
</tr>
<tr>
<td></td>
<td>Semester Credit Hours Production</td>
<td>Semester Credit Hours Production</td>
<td>Semester Credit Hours Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergrad</td>
<td>7,737</td>
<td>7,900</td>
<td>8,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td>580</td>
<td>600</td>
<td>620</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Best Practice Tip: Document the specific types of expenses which are included in the Service Agreement, Support Services and Other categories on the Assumptions tab.

Revenue

This represents the total revenue generated from tuition for the academic year, split according to the level of instruction. The Other funding line in this section allows you to separate grants and other funding sources from tuition revenue. The listed tuition rate values are for comparison only. This would be the annual tuition amount for a full-time student equivalent at each level of instruction. The tuition rate will be referenced on the calculations tab in comparison with a calculated effective tuition rate value.

<table>
<thead>
<tr>
<th>Level of Instruction</th>
<th>Tuition Revenue</th>
<th>Tuition Revenue</th>
<th>Tuition Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergrad</td>
<td>$326,000</td>
<td>$845,000</td>
<td>$960,000</td>
</tr>
<tr>
<td>Graduate</td>
<td>$62,000</td>
<td>$85,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indirect Expenses

The indirect expenses section allows you to enter annual expense amounts for various categories of operational expenses which are not directly related to instruction. Potential categories are suggested, but the titles of these categories can be changed to allow you to include those that are most relevant for your program.

You might also wish to rename the existing categories to incorporate campus-specific terminology for that type of expense. Changes made to these labels will auto populate on the other tabs and the category labels on the charts. The “Other” category can either be relabeled or used as is.

<table>
<thead>
<tr>
<th>Category</th>
<th>Curriculum Development</th>
<th>Overhead</th>
<th>Service Agreement</th>
<th>Sr. Management</th>
<th>Support Services</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,000</td>
<td>$2,000</td>
<td>$3,000</td>
<td>$21,870</td>
<td>$21,870</td>
<td>$21,870</td>
</tr>
<tr>
<td></td>
<td>$1,000</td>
<td>$2,000</td>
<td>$3,000</td>
<td>$21,870</td>
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<tr>
<td></td>
<td>$54,041</td>
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<td>$54,041</td>
<td>$56,862</td>
<td>$56,862</td>
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<tr>
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<td>$56,862</td>
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<td>$56,862</td>
<td>$56,862</td>
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<tr>
<td></td>
<td>$45,927</td>
<td>$45,927</td>
<td>$45,927</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
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<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
</tbody>
</table>

Direct Expenses

The direct expenses section similarly allows you to enter the annual expense amounts for various direct expense categories. These are expenses which are directly related to the delivery of instruction.

Some suggested category titles are provided but can be edited or changed to suit your specific needs. Changes made to these labels will auto populate on the other tabs and the category labels on the charts.

<table>
<thead>
<tr>
<th>Category</th>
<th>Full-time Faculty</th>
<th>Adjunct Faculty</th>
<th>Service Agreement</th>
<th>Support Staff</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$314,083</td>
<td>$314,083</td>
<td>$314,083</td>
<td>$173,000</td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td>$314,083</td>
<td>$314,083</td>
<td>$314,083</td>
<td>$173,000</td>
<td>$2,000</td>
</tr>
<tr>
<td></td>
<td>$175,289</td>
<td>$175,289</td>
<td>$175,289</td>
<td>$177,920</td>
<td>$3,000</td>
</tr>
<tr>
<td></td>
<td>$177,920</td>
<td>$177,920</td>
<td>$177,920</td>
<td>$177,920</td>
<td>$3,000</td>
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<tbody>
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<td></td>
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<td>$21,870</td>
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<td>$21,870</td>
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<td>$54,041</td>
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<tr>
<td></td>
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<td>$45,927</td>
<td>$6,000</td>
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<td>$1,000</td>
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<td>$2,000</td>
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<td>$175,289</td>
<td>$177,920</td>
<td>$3,000</td>
</tr>
<tr>
<td></td>
<td>$177,920</td>
<td>$177,920</td>
<td>$177,920</td>
<td>$177,920</td>
<td>$3,000</td>
</tr>
</tbody>
</table>
Operating Calculations Tab (green)

The framework titles for this tab (Institution name, Program name, Academic Years and Statuses) all come from the Operating Input tab.

If anything needs to be changed, the change should be made on the Input tab. A Year over Year (YOY) trend value and percentage change value is provided for each section.

On this tab, the alternating grey shaded lines are values which have been restated directly from the Operating Input tab. The alternating orange shaded lines are calculations on those numbers (metrics and trend running rates).

Revenue and Expense Summary

This section displays a very basic revenue and expense summary to compare the total revenue with the total expenses as provided on the Input tab. The difference is displayed as Excess (Deficit) Revenue. For this section, a Year over Year increase (or decrease) amount and percentage has been calculated to show a running trend from one academic year to the next.

The comparative ratios below that display the total indirect and total direct expenses as a percentage of total revenue as well as the total expense as a percentage of revenue. Finally the excess (deficit) revenue percentage of revenue is calculated. These are basic financial metrics which are commonly used for benchmarking performance across industries and between representative institutions.

Estimated Revenue per FTSE

As a financial metric, this also provides a measure of financial performance showing the amount of revenue (on average) that can be attributed to each full-time equivalent. This number is calculated by taking the total amount of revenue and dividing it by the total FTSE.

Estimated FTSE Break-even

As an ROI metric, the break-even point is a key consideration. The break-even FTSE is the number of full-time equivalents that would be required, based on the revenue per FTSE to cover the total expenses.

Estimated Break-even Revenue

This is the total amount of revenue required to cover (or equal) the total expenses of operations. Any revenue above the break-even will generate an excess of revenue. Any amount of revenue below the break-even will generate a loss.

Excess (Deficit) Revenue per FTSE

This is the amount of excess (deficit) revenue calculated on a FTSE basis. This also provides a benchmarking measure across institutions to compare relative performance without revealing actual revenue, expenses or excess (deficit) revenue information about the organization.

Total Expense per FTSE

This is the expense for each expense type, direct, indirect and total, calculated on a FTSE basis. Like other FTSE based metrics, this is a useful benchmarking value for comparison with other institutions without disclosing actual revenue, expenses or excess (deficit) revenue information.

Total Semester Credit Hour Production

This is a restatement of the data which was provided on the Input tab related to credit hour production. This value is used in the calculation of FTSE.

<table>
<thead>
<tr>
<th>Level of Instruction</th>
<th>Undergrad</th>
<th>Graduate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOY Increase (Decrease)</td>
<td>7,737</td>
<td>7,480</td>
<td>8,300</td>
</tr>
<tr>
<td>YOY % Increase (Decrease)</td>
<td>2.60%</td>
<td>2.01%</td>
<td>2.00%</td>
</tr>
</tbody>
</table>
This is a restatement of the data which was provided on the Input tab related to the credit hour load for a full-time student. This value is used in the calculation of FTSE.

### Full-Time Student Equivalent (FTSE)

Full-time student equivalent is a calculation to determine the number of students, if enrolled at the full-time credit hour level, would provide the number of credit hours produced. The FTSE value is calculated as the total number of credit hours produced divided by the number of credit hours per full-time equivalent. This calculation is made for each individual level of instruction and then totalled.

<table>
<thead>
<tr>
<th>Level of Instruction</th>
<th>Undergrad</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergrad</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Graduate</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>

| Total FTSE | 564 | 577 | 505 |

| YOY Increase | n/a | 13 | 26 |
| YOY % Increase (Decrease) | n/a | 2.22% | 4.91% |

### Revenue

This section is a restatement of the data provided on the Input tab with the addition of some calculated fields for comparison. This section provides the calculated effective tuition rate as a comparison to the listed tuition rate. The effective tuition rate is calculated as the revenue for the instructional level divided by the FTSE for that instruction level.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Level of Instruction</th>
<th>Undergrad</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tution Revenue</td>
<td>$931,625</td>
<td>$455,400</td>
<td>$426,025</td>
</tr>
<tr>
<td>Limited Tuition Rate</td>
<td>$1,235</td>
<td>$1,235</td>
<td>$1,235</td>
</tr>
<tr>
<td>Effective Tuition Rate</td>
<td>$1,235</td>
<td>$1,235</td>
<td>$1,235</td>
</tr>
<tr>
<td>Percent of Revenue</td>
<td>75.5%</td>
<td>75.5%</td>
<td>75.5%</td>
</tr>
<tr>
<td>YOY Increase (Decrease)</td>
<td>n/a</td>
<td>3.82%</td>
<td>15.98%</td>
</tr>
<tr>
<td>YOY % Increase (Decrease)</td>
<td>n/a</td>
<td>3.82%</td>
<td>15.98%</td>
</tr>
</tbody>
</table>

### Direct Expenses

This section is a restatement of the data provided on the Input tab. A percentage comparison of each category is listed below showing the relative percentage of total expense for each category of expenses per year.

<table>
<thead>
<tr>
<th>Direct Expenses</th>
<th>Category</th>
<th>Full-time Faculty</th>
<th>Adjunct Faculty</th>
<th>Staff Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time Faculty</td>
<td>$1,151,980</td>
<td>$1,019,000</td>
<td>$314,800</td>
<td>$114,800</td>
</tr>
<tr>
<td>Adjunct Faculty</td>
<td>$75,255</td>
<td>$75,255</td>
<td>$75,255</td>
<td>$75,255</td>
</tr>
<tr>
<td>Staff Support</td>
<td>$314,800</td>
<td>$314,800</td>
<td>$314,800</td>
<td>$314,800</td>
</tr>
<tr>
<td>Other</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Total</td>
<td>$1,553,035</td>
<td>$1,409,055</td>
<td>$764,600</td>
<td>$430,600</td>
</tr>
</tbody>
</table>

| Total Direct Expenses | 36.5% | 36.5% | 36.5% |
| YOY Increase (Decrease) | 3.82% | 15.98% | 3.82% |
| YOY % Increase (Decrease) | 3.82% | 15.98% | 3.82% |

| Total Revenue | $1,183,035 | $1,110,000 | $1,110,000 |
| YOY Increase (Decrease) | n/a | $2,000 | $2,000|
| YOY % Increase (Decrease) | n/a | 1.77% | 1.77% |

| Percentage of Total Direct Expenses | 36.5% | 36.5% | 36.5% |
| YOY Increase (Decrease) | 3.82% | 15.98% | 3.82% |
| YOY % Increase (Decrease) | 3.82% | 15.98% | 3.82% |
Operating Charts Tab (blue)

This tab includes visualizations of the data calculated on the Operating Calculations tab.

Revenue/Expense/Excess (Deficit) Trend

This chart shows the comparison of total revenue, total expenses and excess (deficit) revenue by year. The revenue is displayed as the green bar (first bar) for each year and the expense is displayed as the red bar (second bar) for each year. The excess (deficit) revenue is displayed as the orange line across the bars. The axis labels for the revenue and expenses are shown on the left side of the chart. The axis labels for the excess (deficit) revenue line are shown on the right side of the chart.

Each of these dimensions is also displayed in individual trendline charts beside the combined chart.

Questions:

This chart helps to answer questions like:

- What were the expenses and revenues in the past years and what are the projections?
- How does the excess (deficit) revenue compared to the expenses and revenues by year?
- What is the trend of my revenues (or expenses, or both)?
- What is the trend of my excess (deficit) revenue?
- What is my estimated excess (deficit) revenue trend?
- What are my estimated revenues (or expenses, or both)?
Estimated Break Even Point

The Estimated Break Even Point chart shows the estimated total revenue amount and the estimate number of FTSE needed by year to break even. The blue bar (the column) represents the revenue value and the orange line represents the FTSE count.

Questions:

- What is my revenue break-even point for X year?
- What is the projection of my revenue break-even point for the next few years?
- How many FTSE do I need to break even for X year?
- What is the trend for required FTSE to break even over the next few years?

Expenses, Revenue and Excess (Deficit) Revenue per FTSE

The Expenses, Revenue & Excess (Deficit) Revenue per FTSE chart shows the break-down and trend of revenue, expenses and excess (deficit) revenue broken down on a per FTSE basis by year. The green segment of the column (the segment above the $0 axis line) represents the revenue portion, the red segment of the column (the first segment below the $0 axis line) represents the direct expenses and the blue segment of the column (the second segment below the $0 axis line) represents the indirect expenses. The orange line represents the excess (deficit) revenue amount per FTSE against the right axis values. The light orange line shows the overall trend of this excess (deficit) revenue value over the years displayed.

Questions:

- What is my revenue per FTSE?
- What are my expenses (direct and/or indirect) per FTSE?
- What is my level of excess (deficit) revenue per FTSE?
- What is my projected revenue, expenses and/or excess (deficit) revenue per FTST over the next few years?
FTSE Trend & Allocation

This chart shows the trend comparison of the FTSE by year for each level of instruction. The blue section (bottom section) of each bar displays the segment value for the count of undergraduate FTSEs and the green section (top section) displays the segment value for the count of graduate FTSEs.

Questions:
- What is the trend of my undergraduate FTSE count?
- What is the comparison of graduate to undergraduate/baccalaureate FTSE counts by year?
- What is the projection of undergraduate FTSEs?
- What is the projection of graduate FTSEs?

Semester Credit Hour Trend & Allocation

The Semester Credit Hour Trend chart shows the comparison of undergraduate and graduate credit hour production by year. The blue bar (the first bar for each year) shows the level of undergraduate credit hour production. The green bar (the second bar for each year) shows the level of graduate credit hour production.

Questions:
- How has my semester credit hour production increased or decreased? By level of instruction? For the organization as a whole?
- What is my semester credit hour production projection?
- What percentage of revenue was received from (X Level of Instruction) compared to (Y Level of Instruction)? Or compared to the whole?
Revenue Trend & Allocation

The Revenue Trend chart shows the comparison of the types of revenue by year. The blue bar (the first bar for each year) shows the total tuition revenue. The green bar (the second bar for each year) shows the other funding sources (such as grant revenue).

![Revenue Trend Chart](image)

The Revenue Allocation chart shows the relative proportions of each revenue category compared to the total. The labels for each segment of the circle identify the category name and the percentage value.

![Revenue Allocation Chart](image)

Questions:

This chart helps to answer questions like:

- How has my tuition revenue increased or decreased?
- What is my tuition revenue projection?
- How much of my total revenue is coming from sources other than direct tuition?
- What percentage of revenue was received from (X Category) compared to (Y Category)? Or compared to the whole?

Indirect Expenses Trend & Allocation

The Indirect Expense Trend chart shows the comparison of the various indirect expense categories year by year. Each of the categories is represented by a different color as depicted in the legend.

![Indirect Expense Trend Chart](image)

The Indirect Expenses Allocation chart shows the relative proportions of each expense category. The labels of each segment of the circle identify the category name and the percentage value.

![Indirect Expense Allocation Chart](image)

The Indirect Expense Year slicer allows you to filter the allocation chart for one or multiple selected years. The default view is all years. To change the selected years, click the "All" drop-down menu and then check or uncheck the desired years. Click OK when complete to update the chart with the selected years. This type of slicer is available with all of the Allocation type charts.

![Indirect Expense Year Slicer](image)

Questions:

This chart helps to answer questions like:

- What is the proportion of my total expenses allocated to a specific category?
- What is the trend of each expense category compared to the others from year to year?
- What are the projections of each expense category?
- What is the percentage spent on (X Category) compared to (Y Category)? Or compared to the whole?
The Direct Expense Trend chart shows the comparison of the various direct expense categories year by year. Each of the categories is represented by a different color as depicted in the legend.

The Direct Expense Allocation chart shows the relative proportions of each expense category. The labels of each segment of the circle identify the category name and the percentage value.

Questions:
This chart helps to answer questions like:
- What is the proportion of my total expenses allocated to a specific category?
- What is the trend of each expense category compared to the others from year to year?
- What are the projections of each expense category?
- What is the percentage spent on (X Category) compared to (Y Category)? Or compared to the whole?

Faculty Expense Trend & Allocation
This chart shows the trend comparison of the expenses related to full-time and adjunct faculty by year. The purple section (bottom section) of each bar displays the segment value for the expense associated with full-time faculty and the orange section (top section) displays the segment value for the expense associated with adjunct faculty. The allocation chart shows the relative comparison for those two values by percentage of the whole. The labels and percentage values are displayed in the chart.

Questions:
This chart helps to answer questions like:
- What is the trend of my faculty expenses?
- How does my expense related to full-time faculty compared to my expense related to adjunct faculty?
- What is the comparison of full-time faculty to adjunct faculty by year?
- What is the projection of full-time faculty expenses?
- What is the projection of adjunct faculty expenses?
- What is the projection of adjunct faculty percentage?
The Program Input tab provides a place for you to enter startup and operating revenues and expenses related to a specific partnership program that you might be evaluating.

This is formatted in the same 10 year framework as the baseline operations input tab. All of the information entered on this tab is intended to be incremental to the baseline operations.

**Revenue**

This section provides an area for you to enter the expected revenue associated with this program, split by the level of instruction (if more than one level of instruction will be provided in this program). If only one level of instruction is being provided, enter the data for that level and leave the other blank. Also, if there will be additional sources of funding for this program, such as grants or other external funding, enter that information here. If there will be no other sources of funding, leave these cells blank.

**Startup/Specific Expenses**

This section provides an area for you to enter the expected startup or specific expenses associated with the development and launch of this workforce partnership. You can edit or change the category labels to fit your specific needs related to these expenses. The labels provided are simply suggestions of some types of expenses which you might incur.

**Additional Indirect Expenses**

This section is the amount of indirect expenses which will be associated with the addition of this program. The category labels here are defaulted from the labels provided on the Operating Input tab as these categories are added together in the calculations and charts.

**Additional Direct Expenses**

This section is the amount of direct expenses which will be associated with the addition of this program. The category labels here are defaulted from the labels provided on the Operating Input tab as these categories are added together in the calculations and charts.

**Customization Multiplier**

This is a multiplier designed to build in a “buffer” or added value into the expense factor for unexpected expenses. If your program being evaluated is very straightforward and not customized for your employer partner, then there might not be any need for a customization multiplier. However, if the program being evaluated is highly customized and tailored for the employer partner’s specific needs, then there could be a desire to add a buffer here to accommodate the unexpected expenses associated with the increased complexity. This value should be entered on a 1.x basis - for example, if you wanted to add a 15% buffer, then enter a value of 1.15 for that year in this row. This is an optional row, if you do not wish to add a customization multiplier, simply leave this row blank.

An example of this customization multiplier could be something like creating a new, highly specialized and highly customized partnership education program in a new discipline area where you have not previously had a lot of experience. You might have SMEs in your faculty team to provide this education, however, feel a level of uncertainty about unknown factors which you might encounter during the creation and deployment of this program. As one method for providing a buffer for those unexpected or unknown expenses, you could choose to an an annual buffer amount, via a multiplier (percentage) value. In this example, perhaps you want to incorporate a 15% buffer for the first two years of the program and then decline that down to 10% and 5% over the following years.
The layout of this tab is similar to the Operating Calculations tab. The tab includes the baseline operating information as well as the additional program information from the Program Input tab.

The section descriptions here are the same as the Operating Calculations tab. Please refer to that section of this document for details regarding sections not listed here. The specific additional sections added on this tab are the following:

**Total Indirect Expenses**

This section provides a summary of the baseline indirect expenses and the additional indirect expenses.

**Additional Indirect Expenses**

This section is a restatement of the data provided on the Program Input tab. A percentage comparison of each category is listed below showing the relative percentage of total additional indirect expenses for each category of expenses per year.

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Indirect Expenses</th>
<th>Additional Indirect Expenses</th>
<th>Percent of New</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead</td>
<td>$3,267</td>
<td>$3,267</td>
<td>28.1%</td>
<td>28.1%</td>
</tr>
<tr>
<td>Staff 1-Management</td>
<td>$3,267</td>
<td>$3,267</td>
<td>28.1%</td>
<td>28.1%</td>
</tr>
<tr>
<td>Staff 2-Management</td>
<td>$3,267</td>
<td>$3,267</td>
<td>28.1%</td>
<td>28.1%</td>
</tr>
<tr>
<td>Support Services</td>
<td>$3,267</td>
<td>$3,267</td>
<td>28.1%</td>
<td>28.1%</td>
</tr>
<tr>
<td>Support Services (O&amp;M)</td>
<td>$3,267</td>
<td>$3,267</td>
<td>28.1%</td>
<td>28.1%</td>
</tr>
<tr>
<td>Support Services (Prop)</td>
<td>$3,267</td>
<td>$3,267</td>
<td>28.1%</td>
<td>28.1%</td>
</tr>
</tbody>
</table>

This section is a restatement of the data provided on the Program Input tab. A percentage comparison of each category is listed below showing the relative percentage of total startup expenses for each category of expenses per year.

**Startup/Specific Expenses**

<table>
<thead>
<tr>
<th>Category</th>
<th>Startup Expenses</th>
<th>Specific Expenses</th>
<th>Percent of New</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$6,000</td>
<td>$6,000</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Contractor</td>
<td>$6,000</td>
<td>$6,000</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Freight Fees</td>
<td>$6,000</td>
<td>$6,000</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Total Startup Expenses</td>
<td>$18,000</td>
<td>$18,000</td>
<td>15.0%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

On this tab, the alternating grey shaded lines are values which have been restated directly from the Operating Input tab. The alternating green shaded lines are the additional program values provided on the Program Input tab. The alternating orange shaded lines are calculations on those numbers (metrics and trend running rates).
This section provides a summary of the baseline direct expenses and the additional direct expenses. If a complexity multiplier value was included in the Program Input tab, then this section restates that value as well as the associated expense value based on that multiplier. This section provides a total of all of the various expense sections represented on this tab including the expense multiplier value.

**Total Direct Expenses**

This section provides a summary of the baseline direct expenses and the additional direct expenses.

**Expense Complexity Multiplier**

If a complexity multiplier value was included in the Program Input tab, then this section restates that value as well as the associated expense value based on that multiplier.

**Total Expenses**

This section provides a total of all of the various expense sections represented on this tab including the expense multiplier value.

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**Program Charts Tab (blue)**

This tab is the same structure as the Operating Charts tab. Please see that section of this document for description about the charts represented here and the questions that each chart is trying to answer. Where appropriate, the charts here indicate the segments related to additional revenue or expenses beyond the baseline operating revenue or expenses. In addition to the charts represented in the Operating Charts tab, one additional chart is added to this tab which is explained here.

**Startup Expense Trend & Allocation**

This chart shows the comparison of the various indirect expense categories year by year. Each of the categories is represented by a different color as depicted in the legend.
The Startup Expenses Allocation chart shows the relative proportions of each expense category. The labels of each segment of the circle identify the category name and the percentage value.

Questions:

This chart helps to answer questions like:

- What is the proportion of my total expenses allocated to a specific category?
- What is the trend of each expense category compared to the others from year to year?
- What are the projections of each expense category?
- What is the percentage spent on (X Category) compared to (Y Category)? Or compared to the whole?

Glossary of Terms

BIT: Before income tax

Break-even: The point when revenues meet or exceed expenses and an excess starts to be realized

FTSE: Full-time student equivalent

Glossary of Terms

BIT: Before income tax

Break-even: The point when revenues meet or exceed expenses and an excess starts to be realized

FTSE: Full-time student equivalent

SME: Subject Matter Expert

YOT: Year over Year (trend increase or decrease from prior year)
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