

205-04 BUDGETING FOR NEW PROGRAMS OR SERVICES—PROCEDURE

1. PURPOSE

The purpose of budgeting for new programs and services is to mitigate the risk associated with new or untried programs and services to the College. The new programs and services shall be based upon the College's Strategic Plan and objectives.

2. PROCEDURE

1. Business Plan

A business plan is required to propose a new program or service. The business plan shall include the following information:

- a. A written justification including a detailed needs assessment, measurable goals, and expected benefits of the program or service.
- b. A detailed financial analysis of revenues and expenses for at least three years. The financial analysis needs to consider all elements, such as enrollment projections, differential tuition rates, start-up costs (including equipment and facilities), and ongoing costs (including personnel and benefits, maintenance agreements, marketing expenses, and indirect costs).
- c. An assessment plan for evaluating the effectiveness of the new program or service as well as a financial analysis of the program.

2. Pilot Programs

When possible, new programs or services should be tested on a "pilot" basis. The length of the pilot or experimental period will be determined based upon the time needed to adequately assess the new program or service.

Funding for the pilot program is exclusively for the timeframe of the program or pilot period. After the pilot period ends, the College assesses the effectiveness of the pilot against its stated goals and makes a formal decision on whether to:

- a. Discontinue the program.
- b. Continue the pilot or expand the pilot for purpose of further study.
- c. Move beyond the pilot to full implementation.

3. Innovation Fund

The College has established an innovation fund as an incentive for innovative projects that generate revenue, long-term savings, technology solutions, or to improve services to students. A total of \$100,000 is set aside in the President's budget, and may be adjusted annually based upon economic conditions. See the Innovation Fund Process and Forms located on the Intranet under the President's page.

3. BACKGROUND

1. References: Government Finance Officers Association
2. Revision history: 03/11/2015 (new)

3. Legal review: none
4. Sponsor: Business and Administrative Services

Approved by College Council: 03/11/2015

COCONINO COMMUNITY COLLEGE