

Planning Educational Courses and Programmes from a Financial Perspective: A New SAIDE Tool

By Neil Butcher

A key problem that many educational planners have faced is knowing whether or not the courses and programmes they are designing or implementing are generating more income than expenditure. Likewise, it has been very difficult to establish when – if ever – new courses and programmes will break even financially, hence making it harder to make effective financial decisions on whether or not to make initial design and development investments. Where financial planning is done, it has tended to focus narrowly on the direct costs of a course or programme, rather than on understanding the full direct and indirect costs necessary both to sustain the educational intervention and the educational provider itself.

SAIDE noticed this problem some years ago when working with traditionally contact public higher education institutions where course and programme planners were integrating use of distance education methods into their offerings. Our intuitive sense was that many of these practices were not financially viable, so we spent extensive time working with a wide range of programmes to establish full pictures of the costs they were likely to generate.

During 1999, SAIDE has been systematically consolidating this work through the creation of a financial planning database. We are also currently busy integrating this tool with another system, which enables planners to capture full details about courses and programmes as they conduct their planning (in formats compatible with SAQA requirements). The resulting product will be a powerful digital tool that provides educational planners with a complete planning package for their courses and programmes (new and existing).

The tool adopts a course-based approach to conducting financial planning exercises. It requires users to capture data about courses in a way that begins with the expectations placed on learners themselves. Using this benchmark data, costs of human and other resources are linked either to individual teaching and learning strategies or to the course as a whole in a simple way that makes all financial assumptions underpinning a course transparent. Because a range of financial assumptions are entered as system defaults (all of which are, of course, easily changeable), individual educators are not required to understand the details of how financial calculations are made. Instead, via easy-to-read reports, they are able to focus exclusively on the bottom-line costs and human resource implications their courses and programmes generate. They are also able to build scenarios of any degree of complexity they choose, projecting forwards over any number of years to calculate estimated cash flow statements for their educational offerings.

We hope that this tool will make a useful contribution to the effective planning of education in South Africa, ensuring financially sustainable mechanisms for offering courses and programmes to South African learners. We are about to begin testing the database itself (although the financial models have already been extensively tested through work with several educational planners in South Africa), beginning with work at the Universities of the Witwatersrand and Port Elizabeth.

Anybody interested in finding out more about this planning tool or about SAIDE's financial planning services is welcome to contact Neil Butcher at 011 403-2813 or neilshel@icon.co.za

Microsoft Access - [Programmes]

Organization Name: Systems Development Institute

Programme Name: Test Programme

Enrolment | Courses | Department/s | General Personnel | Programme Costs | Programme Income

Year	Enrolment	Growth %	Success %	Successful	Unsuccessful	
2000	200.00	1.00	80.00	160.00	40.00	Σ
2002	202.00	1.00	80.00	162.00	40.00	Σ
2003	204.00	1.00	80.00	163.00	41.00	Σ
2004	206.00	1.00	80.00	165.00	41.00	Σ
2005	208.00	1.00	80.00	166.00	42.00	Σ
2006	210.00	1.00	80.00	168.00	42.00	Σ
2007	212.00	1.00	80.00	170.00	42.00	Σ
2008	214.00	1.00	80.00	171.00	43.00	Σ
2009	216.00	1.00	80.00	173.00	43.00	Σ
*	0.00	0.00	0.00	0.00	0.00	Σ

Record: 14 of 1 (Filtered)

Forms View

Using the financial planning database, you can create as many programmes as you wish, specifying relationships between courses and programmes in whatever permutations suit your planning requirements. The tool also allows for creation of detailed scenarios of enrolment growth (or decline) over as many years as you wish. Using the *Calculate* (€) Button, you can generate these scenarios very easily and then tailor them to meet your specific requirements.

Microsoft Access - [Courses]

File Edit View Insert Format Records Tools Window Help

Organization Name
Systems Development Institute

Course Name
Course 1

Copy...

Details Department/s Educational Strategies Assessment Types Design Cycle Course Design Personnel
General Personnel Materials Design Copyrights Course Materials Technology Other Course Costs Course Income

Cost Type	Description	Unit Of Measure	Depr. %
Course Materials : Bulk Book Purchase	books for study guide	Single Sid Unit	100.00
Course Materials : CD-RDM	Student CD	Single Sid Unit	100.00
Course Materials : Photocopy	Tutorial letters	A4 Page(s)	100.00
Course Materials : Photocopy	Workshop photocopies	A4 Page(s)	100.00

Expected Cost						Expected Investment %	
Year	Year Unit	Crs Unit	Stud Unit	Cost		Year	Invest %
2000	1.00	0.00	0.00	R 8,333.33		2000	100.00
2001	1.00	0.00	0.00	R 8,333.33		2001	100.00
2002	1.00	0.00	0.00	R 9,363.33		2002	100.00
2003	1.00	0.00	0.00	R 9,925.13		2003	100.00

Record: 1 of 1 (Filtered)

Forms View

The financial planning database allows for capture of every cost associated with your courses and programmes, enabling you to specify your own rates of depreciation and how many of each unit you wish to allocate. The tool allows for establishment of System Defaults that can be used by all users, while also factoring the flexibility to allow for modification of these System Defaults where they do not suit the needs of Course and Programme Planners.

Microsoft Access - [Assessment Types]

File Edit View Insert Format Records Tools Window Help

Organization Name
Systems Development Institute

Course Name
Course 1

Assessment Type Name
Assignment

Add Course Costs

Student Hours Per Unit: 15.00

Year	Units / Course	Units Moderated
2000	5.00	2.00
2001	5.00	2.00
2002	5.00	2.00
2003	5.00	2.00
2004	5.00	2.00

Preparation Time Per Unit	Assessment Time Per Unit	% Students Marked	Students Marked Together	Moderation Time Per Unit	Students Per Invigilator
0.00	0.50	100	1	0.50	0

Personnel Type	% Assessed	% Moderated	% Invigilated
Educator	100.00	0.00	0.00
Moderation	0.00	100.00	0.00
	0.00	0.00	0.00

Record: 1 of 1 (Filtered)

Forms View FLTR

Every teaching and learning strategy is captured using this tool, thus ensuring that course costs are calculated from a clear understanding of what students themselves are expected to do. This approach to financial planning is unique in South Africa.

Microsoft Access - [Detailed Course Report : Report]

File Edit View Tools Window Help

Organization: Systems Development Institute
 Program: Test Programme
 Course: Course 1
 Year: 2000

Detailed Course Report

Average Course Cost Summary

Personal	R 397,456
Other	R 40,294
Overhead @ 52%	R 147,456
Total	R 408,255
Cost Per Registered Student	R 4,055

Income	Description	Course Income	Registered Student	Complete Student	Successful Student	Annual Income	Average Course Income
Government Subsidy	Success of Student Subsidy	R 0	R 0	R 0	R 304,000	R 304,000	R 252,000
Fee Income	Fee for Students	R 0	R 450,000	R 0	R 0	R 450,000	R 225,000
Total						R 914,000	R 477,000

Income Per Registered Student **R 3,150**

Total Course Income	R 477,000
Total Course Cost	R 408,255
Profit / Loss	R 131,255

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Ready

Use the financial planning tool to generate detailed reports of your expected financial requirements. In this report, you can view financial requirements for a single year. Reports can also be generated for several years, to give you a sense of how spending will be spread out over a longer period. Choose either to view detailed or summary reports, depending on your requirements.