

Some ideas

about SEAT COST


by Rafael A. Pulmano

SEAT COST CONSIDERATIONS

- STARTING POINT – What is the period under consideration?
- NEXT – What is the **total** program cost for that period?
- AND THEN – What is the **total** program enrollment for that same period?

Program: A.S. Business Administration

PROGRAM COST CONSIDERATIONS

- FACULTY SALARY & BENEFITS comprise a very significant amount (about 90% or more) of the **total program cost**.
- IDENTIFYING how much of that faculty salary & benefits can be traced to a particular program will give us a more or less accurate picture of how much that program actually costs.
- LET'S LOOK at one example. My salary & benefits. 

Program: A.S. Business Administration

Course Load for R. Pulmano

FALL 2011

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO
AC 131	6	40%
AC 131	6	40%
AC 250	3	20%
Total	15	100%

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO
AC 131	6	40%
AC 131	6	40%
AC 250	3	20%
Total	15	100%

QUESTION

All these are A.S. Business Administration courses. Should we therefore charge **100%** of Pulmano's salary-related costs to this program?

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%		
AC 131	6	40%		
AC 250	3	20%		
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	12 BA, 9 CIS	
AC 131	6	40%		
AC 250	3	20%		
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	12 BA, 9 CIS	
AC 131	6	40%	9 BA, 10 CIS, 1 HTM	
AC 250	3	20%		
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	12 BA, 9 CIS	
AC 131	6	40%	9 BA, 10 CIS, 1 HTM	
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	
AC 131	6	40%	9 BA, 10 CIS, 1 HTM	
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	40% x 57%
AC 131	6	40%	9 BA, 10 CIS, 1 HTM	
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	9 BA, 10 CIS, 1 HTM	
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	40% x 45%
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	18%
AC 250	3	20%	20 BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	18%
AC 250	3	20%	100% BA	
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	18%
AC 250	3	20%	100% BA	20% x 100%
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	18%
AC 250	3	20%	100% BA	20%
Total	15	100%		

Program: A.S. Business Administration

Course Load for R. Pulmano - 2011.3 FALL

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	57% BA, 43% CIS	23%
AC 131	6	40%	45% BA, 50% CIS, 5% HTM	18%
AC 250	3	20%	100% BA	20%
Total	15	100%		61%

Program: A.S. Business Administration

Course Load for R. Pulmano

SPRING 2012

Program: A.S. Business Administration

Course Load for R. Pulmano - 2012.I SPRING

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
AC 131	6	40%	50% BA, 50% CIS	20%
AC 131	6	40%	43% BA, 48% CIS, 9% HTM	17%
AC 250	3	20%	100% BA	20%
Total	15	100%		57%

Program: A.S. Business Administration

% SHARE IN PROGRAM COSTS

2011.3 FALL & 2012.1 SPRING

PROGRAM COST %	PROGRAM COST %
23%	20%
18%	17%
20%	20%
61%	57%

Program: A.S. Business Administration

% SHARE IN PROGRAM COSTS

2011.3 FALL & 2012.1 SPRING

PROGRAM COST %	PROGRAM COST %
23%	20%
18%	17%
20%	20%
61%	57%

QUESTION

Shouldn't **39%** in Fall 2011 and **43%** in Spring 2012 of Pulmano's **salary-related costs** be charged to other programs which also benefited from his services?

Program: A.S. Business Administration

% SHARE IN PROGRAM COSTS

2011.3 FALL & 2012.1 SPRING

PROGRAM COST %	PROGRAM COST %
23%	20%
18%	17%
20%	20%
61%	57%

QUESTION

Should we adopt a **transfer pricing** scheme?

Program: A.S. Business Administration

PROGRAM COST CONSIDERATIONS

- ONE MORE example. NOT my salary & benefits.



Program: A.S. Business Administration

REGULAR Course Load for A. Dumo

2012.I SPRING

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
BU 260	3	25%	BA	25%
BU 271	3	25%	BA	25%
BU 101	3	25%	BA, CIS, etc.	13%
MGT 360	3	25%	TYC	—
Total	12	100%		63%

Program: A.S. Business Administration

REGULAR Course Load for A. Dumo

2012.I SPRING

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
BU 260	3	25%	BA	25%
BU 271	3	25%	BA	25%
BU 101	3	25%	BA	25%
MGT 360	3	25%		—
Total	12	100%		63%

REGULAR RATE

Program: A.S. Business Administration

REGULAR Course Load for A. Dumo

2012.I SPRING

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
BU 260	3	25%	BA	25%
BU 271	3	25%	BA	25%
BU 101	3	25%	BA	25%
MGT 360	3	25%		—
Total	12	100%		63%
EXTRA				

REGULAR RATE

Program: A.S. Business Administration

Course Load for A. Dumo - 2012.I SPRING

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
BU 260	3	25%	BA	25%
BU 271	3	25%	BA	25%
BU 101	3	25%	BA	25%
MGT 360	3	25%		-
Total	12	100%		63%
EC 220	3	100%	BA	100%

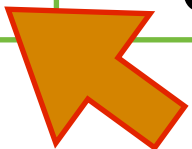
REGULAR RATE

Program: A.S. Business Administration

Course Load for A. Dumo - 2012.I SPRING

COURSE	HOURS	RATIO	STUDENTS	PROGRAM COST %
BU 260	3	25%	BA	25%
BU 271	3	25%	BA	25%
BU 101	3	25%	BA	25%
MGT 360	3	25%		-
Total	12	100%		63%
EC 220	3	100%	BA	100%

REGULAR RATE



SPECIAL CONTRACT RATE

Program: A.S. Business Administration

% SHARE IN PROGRAM COSTS

2012.I SPRING - REGULAR & EXTRA LOAD

COURSE	STUDENTS	PROGRAM COST %
BU 260	BA	25%
BU 271	BA	25%
BU 101	BA, CIS, etc.	13%
MGT 360	TYC	—
Total		63%
EC 220	BA	100%

QUESTION

Shouldn't there be a policy in assigning regular and extra course loads that will ensure consistency in the calculation of program costs?

Program: A.S. Business Administration

AN ALTERNATIVE APPROACH

- WORK SHEET FOR PROGRAM COST,
and hopefully, SEAT COST,
DETERMINATION *(Draft Only)*

Program: A.S. Business Administration



COST ITEM	TERM	ALLOCATION	DIVISION LEVEL COSTS		DEPARTMENT LEVEL COSTS	FACILITIES LEVEL COSTS	TOTALS
			BUSINESS	OTHER			
SALARIES							
- J. Felix Jr. (As Div. Chair)	2011.3 Fall & 2012.1 Spring (Allocated to 4 programs)	25%	\$				\$
- R. Pulmano (FT)	2011.3 Fall	61%	\$				\$
	2012.1 Spring	57%	\$				\$
- M. Mangonon (FT)	2011.3 Fall	20%	\$				\$
	2012.1 Spring	38%	\$				\$
- M. Medalla (FT)	2011.3 Fall	60%	\$				\$
	2012.1 Spring	80%	\$				\$
- A. Dumo (FT)	2011.3 Fall	63%	\$				\$
	2012.1 Spring	63%	\$				\$
- R. Yauvoli (FT)	2011.3 Fall	63%	\$				\$
	2012.1 Spring	0%	-				-
OTHER DIVISION FACULTY							
- Teaching EN 121				\$			\$
- Teaching BU/MS 150				\$			\$
SPECIAL CONTRACT							
- G. Mangonon (PT)	2011.3 Fall				\$		\$
	2012.1 Spring				\$		\$
A. Dumo (Extra load)	2012.1 Spring				\$		\$
- R. Pulmano (Release time / as Program Coordinator)	2012.1 Spring	100%			\$		\$
SUPPLIES	Allocated to 4 programs (25% ?) NOTE: TYC has fewer students and therefore less consumption of paper, ink, etc.		\$				\$
OTHER BUS. DIV. COSTS	__%		\$				\$
DAP SALARY (OR OFFICE)	Allocated to __ programs (__%)				\$		\$
VPIA SALARY (OR OFFICE)	Allocated to __ programs (__%)				\$		\$
LRC COSTS	Allocated to __ programs (__%)				\$		\$
BLDG. DEPRECIATION	Allocated to Rooms F-103, B-102, B-103, B-202, ___ etc.					\$	\$
UTILITIES	Allocated to Rooms F-103, B-102, B-103, B-202, ___ etc.					\$	\$
OTHERS (?)	Allocated (__%)					\$	\$
TOTALS			\$	\$	\$	\$	\$

Total Program Costs (see arrow) ÷ Program Enrollment = Program Seat Cost



ADVANTAGES (I think)

- Simpler, easier to use.
- Doesn't have to be additional burden for faculty – This can be part of division chair or program coordinator's job.
- Can be used for computing budgeted and actual seat cost. Useful for program cost analysis, planning and control. Plus of course, for program review and evaluation.

Program: A.S. Business Administration

ADVANTAGES (I think)

- Systems are already in place for the automatic capture and easy retrieval of needed data, i.e., **accounting system** for actual costs, **student information system** for actual enrollment data, and **Faculty Workload Reporting Document** for actual regular and extra faculty course loads.

Program: A.S. Business Administration

End of presentation

- Thank you.

Program: A.S. Business Administration