

Education Budgeting

Instructional Designer Level 4:
Implementing Instructional
Interventions

Scott Frasard, M.Ed., NREMT-P

Why Budget?

- ✔ Key element of instructional design
- ✔ Responsible planning
- ✔ Return on investment

You want me to fund what?!?

Considering Finances

- ✔ Direct costs
- ✔ Indirect costs
- ✔ Fixed expenses
- ✔ Variable expenses

What are your expenses?

Given your unique set of circumstances, what are your:

- Direct costs?
- Indirect costs?
- Fixed expenses?
- Variable expenses?

Computing Participant Costs¹

- ✦ Salary
- ✦ Benefits
- ✦ Travel
- ✦ Per diem
- ✦ Materials
- ✦ Participant replacement
- ✦ Lost productivity

¹Laird, D. (1985). *Approaches to training and development* (2nd ed.). Reading, MA: Addison-Wesley.

Depreciating Equipment

- ✦ Not as difficult as it seems
- ✦ Straight-line depreciation
- ✦ Needed information:
 - ✦ Total equipment cost
 - ✦ Median maintenance costs
 - ✦ Salvage value
 - ✦ Life expectancy

Calculating Depreciation

- Calculate annual depreciation

Purchase cost – salvage value = total depreciation

Total depreciation ÷ life expectancy = annual depreciation

Calculating Equipment Cost

- Calculate total cost per year

Annual depreciation + maintenance costs
= total cost per year

Calculating Equipment Cost

- Calculate total cost per day

Total cost per year ÷ 365 = cost per day

Calculating Equipment Cost

☛ Calculation by hour

Cost per day ÷ 8 = cost per hour

Equipment used for 6 hours
= cost per hour x 6

Now it's Your Turn...

- ☛ Select a single piece of equipment
- ☛ Use template
- ☛ Calculate cost for your class

Strategies to Reduce Cost

- ☛ Less expensive/eliminate materials
- ☛ Reduce staff
- ☛ Reduce participants
- ☛ Less expensive facility
- ☛ Program date

Strategies to Reduce Cost

- ▶ Promotional materials
- ▶ Shorten program
- ▶ Lending library
- ▶ Course location
- ▶ Subcontracting some programs
