



Course Pricing

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Many of you attended one of the six course pricing roundtables held in December. Thank you for participating. I explained that current registration fees do not cover the full indirect costs for our courses. The bottom line is that we have a shortfall of \$479,000, and we need that money to cover the salaries of the staff members who support our courses. The additional revenue also will give us much-needed flexibility in managing our future budget cuts. Here is [an earlier post](#) that gave a detailed explanation of our revenues and expenses for courses and how we have covered this shortfall in the past.



At the roundtables I announced a two-year plan for increasing course prices to recover all of our indirect costs. Effective January 1, we started increasing our course registration fees to recover 50% of the \$479,000 shortfall this calendar year, and we will increase them again next year to cover the other 50%. The course pricing worksheet has been modified to reflect this change and the program managers have received training in how it works.

A few roundtable participants suggested that we recover the entire indirect cost shortfall in one year. I am more comfortable phasing in the fee increases over two years so that the jump is not so great. Public officials have told me repeatedly that our course fees are too low, but many of them have financial challenges and this is not a time to push too hard. If you believe that your course will be too expensive under the new system, it may be possible to lower the registration fee in some cases by reducing your direct costs—eliminating a paid outside speaker, for example, or using electronic course materials instead of distributing printed materials in a notebook. Brad Volk will consider requests for a lower registration fee, but he will be very (very) reluctant to grant exceptions to the course registration fee generated by the new worksheet.

In addition to showing you the direct and indirect expenses for your courses, the new worksheet will show you the registration fees for a list of comparable courses. The purpose of showing the comparables is to insure that our courses are reasonably priced compared to similar training for public officials. I believe that most of our courses will be viewed as a bargain compared to those other courses even after our prices are set at a level that recovers full direct and indirect costs. Faculty members always have the discretion to set their registration fees above the level needed for full cost recovery if you believe that your audience will find them reasonable.

Thanks again to everyone who attended one of the roundtables. There were good questions and a number of helpful suggestions that we will continue to explore. I appreciate the support that was expressed for making this necessary move.