

## Cost Analysis Tool for Current Members

### INTRODUCTION

In partnership with our members, NEXus continues to meet its goal of assisting the profession in addressing the nursing shortage by educating well prepared nurse educators and leaders. We help universities expand their capacity to educate doctoral students via distance learning.

We hope you will find this tool helpful on your campus. Please feel free to contact NEXus with any questions at [nexus@ohsu.edu](mailto:nexus@ohsu.edu).

### MAKING THE BUSINESS CASE FOR NEXUS




We know value is gained from the investment that NEXus dues represent. While not all of the benefits of being a member show up in the numbers, we realize it's important to document the financial case for NEXus.

NEXus offers an opportunity to generate additional income and to realize cost savings. It also provides relief for faculty workloads, additional course options for students while assisting them in timely progression, a means to introduce new program courses without initial faculty hires, and a way to quickly move forward in emergencies.

### INCOME AND COST SAVINGS MODEL

NEXus has developed this tool so that universities may estimate income and cost savings generated from student enrollments. We encourage you to share this with your senior management team.

#### Three components make up the model:





- 1) *Income* generated from visiting students you teach at your institution (PART I), referred to as TEACH 
- 2) *Income* generated from students your university sends to take a class at another institution (PART II), referred to as HOME 
- 3) *Cost savings* in *faculty salaries* and *course development time* when you send a student to take a class at another institution (PART III). 

### NARRATIVE OF CASE STUDY USED

Attached is the Sample University example. The enrollment used in the model is based on the average NEXus enrollment for universities in 2019-20. Enrollment calculated based on:

- ▶ Teaching three students in two courses (TEACH) and
- ▶ Sending three students who enrolled in two distinct courses elsewhere (HOME).

## CASE STUDY FIELD EXPLANATIONS

FIELD		DESCRIPTION
INCOME TEACH	PART I 	This is the net tuition kept by Sample U for the visiting students taught. The rate is 75%. (Tuition is split three ways: 75% to TEACHing university, 10% to the HOME institution that sent the students and 15% to NEXus Administration)
INCOME HOME	PART II 	This is the net tuition split for sending a student (10% of tuition)
COST SAVINGS	PART III 	This is the total of estimated savings for Sample U for students who took courses elsewhere. This combines savings of faculty salaries and benefits with estimated course development costs.
<b>TOTAL INCOME + COST SAVINGS</b>		Total of income and cost savings above.
NEXus FEE	EXPENSE 	This is the annual dues Sample U paid to participate in NEXus. Either \$5,000 for one program or \$6,000 for two program (PhD and/or DNP)
<b>NET INCOME/COST SAVINGS</b>		<b>Grand Total</b> combines income from all classes with estimated cost savings. The annual fee for NEXus is subtracted out of this figure

## CASE STUDY DETAILS

### PART I INCOME TEACH

Sample U taught three visiting students. One student took Course #1 for three credits. Two students took Course #2 for three credits each.

Before the split Tuition Totaled \$7,785 (nine credits at \$865 per credit).

After the three way tuition split, the Tuition kept by Sample U at 75% was \$5,839.

### PART II INCOME HOME

Sample U had three students take courses elsewhere, each for three credits. Two students enrolled in the same course, and one student took a different course.

Before the tuition split, the tuition paid to the other institutions totaled \$7,785 (nine credits at \$865 per credit).

After the three way tuition split, the tuition collected by Sample U was 10% or \$779.

## PART III

### COST SAVINGS ESTIMATES

Course Savings are estimates only and will vary by institution. You may wish substitute your own actual figures. The NEXus estimates are based on

- ▶ Base salary of \$90,800 (AACN, 2019-20) with paid benefits of 21.8% (AAUP 2019-20), totaling \$110,600 (rounded to nearest hundred)
- ▶ Average faculty course load equivalent of nine/year
- ▶ Hourly rate = \$110,600 divided by 52 weeks at 40 hours a week = \$53
- ▶ Estimate of 100 hours to develop one course.

### REFERENCES





1. American Association of Colleges of Nursing. Table 76, Associate Professor Rank (Total all Institutions and Doctoral Degree Level). *2019-2020 Salaries of Instructional and Administrative Nursing in Baccalaureate and Graduate Programs in Nursing*, Washington, DC.
2. American Association of University Professors. Survey Report Tables 8 &9. *Annual Report on the Economic Status of the Profession, 2019-20*
3. Chapman, B. (2010). *How Long Does it Take to Create Learning? [Research Study]*. Development Ratios - Summary Table. Published by Chapman Alliance LLC. from [www.chapmanalliance.com](http://www.chapmanalliance.com)
4. Defelice, Robyn A. "How Long Does It Take to Develop Training? New Question, New Answers." Web blog post ATD Association for Talent Development. ATD Global. 13 Jan. 2021. Web. 25 Feb. 2021.
5. Freeman, Lee A. "Instructor Time Requirements to Develop and Teach Online Courses." Web post *Online Journal of Distance Learning Administration, Volume XVIII, Number 1*. University of West Georgia, Distance Education Center, *Spring 2015*. 25 Feb. 2021.
6. Safai, Alan. "How long does it take to develop an online course?" Web blog post *eLearning Blog*. The University of Texas at Dallas, 8 Apr. 2019. Web. 25 Feb. 2021.

**INCOME COST SAVINGS ANALYSIS TOOL**  
ANNUAL BASIS FOR SAMPLE UNIVERSITY


**EXAMPLE**

(PART I) Taught three students in two courses (TEACH) and  
(PART II) Sent three students who took two distinct courses elsewhere (HOME).

**SUMMARY**

<b>INCOME TEACH</b>	\$5,839	PART I	
<b>INCOME HOME</b>	\$779	PART II	
<b>COST SAVINGS</b>	\$35,200	PART III	
<b>TOTAL INCOME + COST SAVINGS</b>	<b>\$41,817</b>		
<b>NEXus FEE*</b>	\$6,000	EXPENSE	
<b>NET INCOME/COST SAVINGS</b>	<b>\$35,817</b>		

**INPUTS**

EXPENSE	NEXus TUITION RATE (Quarter \$577 Semester \$865)	\$865	
	NEXUS ANNUAL DUES*	\$6,000	
	TEACH: # OF STUDENTS	3	
	HOME: # OF STUDENTS	3	
	HOME: # OF DISTINCT COURSES TAKEN ELSEWHERE	2	

**INCOME**

PART I	TEACH (Host)	# of STUDENTS	COURSE CREDIT	RATE PER CREDIT*	TUITION
	COURSE 1	1	3	\$865	\$2,595
	COURSE 2	2	3	\$865	\$5,190
	<b>SUBTOTAL</b>	<b>3</b>	<b>9</b>		<b>\$7,785</b>
	<b>TOTAL TEACH (75% OF TUITION)</b>				<b>\$5,839</b>

PART II	HOME (Sent)	STUDENTS	COURSE CREDIT	CREDIT*	TUITION
	COURSE 1	1	3	\$865	\$2,595
	COURSE 2	2	3	\$865	\$5,190
	<b>SUBTOTAL</b>	<b>3</b>	<b>9</b>		<b>\$7,785</b>
	<b>TOTAL HOME (10% OF TUITION)</b>				<b>\$779</b>

**COURSE SAVINGS (Estimate)**

PART III	COURSE (HOME Sent)	FACULTY SALARY + BENEFITS at \$12,300/Course	COURSE DEVELOPMENT COST at \$5,300/Course	TOTAL
	COURSE 1	\$12,300	\$5,300	\$17,600
	COURSE 2	\$12,300	\$5,300	\$17,600
	<b>TOTAL</b>	<b>\$24,600</b>	<b>\$10,600</b>	<b>\$35,200</b>

Figures rounded to nearest \$

**Tuition income** is based on: 1. The number of credit hours taken at your institution by students from other NEXus institutions (TEACH); 2. The number of credits your students took from other NEXus institutions (HOME); and 3. The NEXus revenue distribution formula where the home institution

\*Annual dues vary based on program contract. Either \$5,000 for one program or \$6,000 for two (Phd and DNP)

**REFERENCES**

- American Association of Colleges of Nursing. Table 76, Associate Professor Rank (Total all Institutions and Doctoral Degree Level). 2019-2020 Salaries of Instructional and Administrative Nursing in Baccalaureate and Graduate Programs in Nursing, Washington, DC.
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