



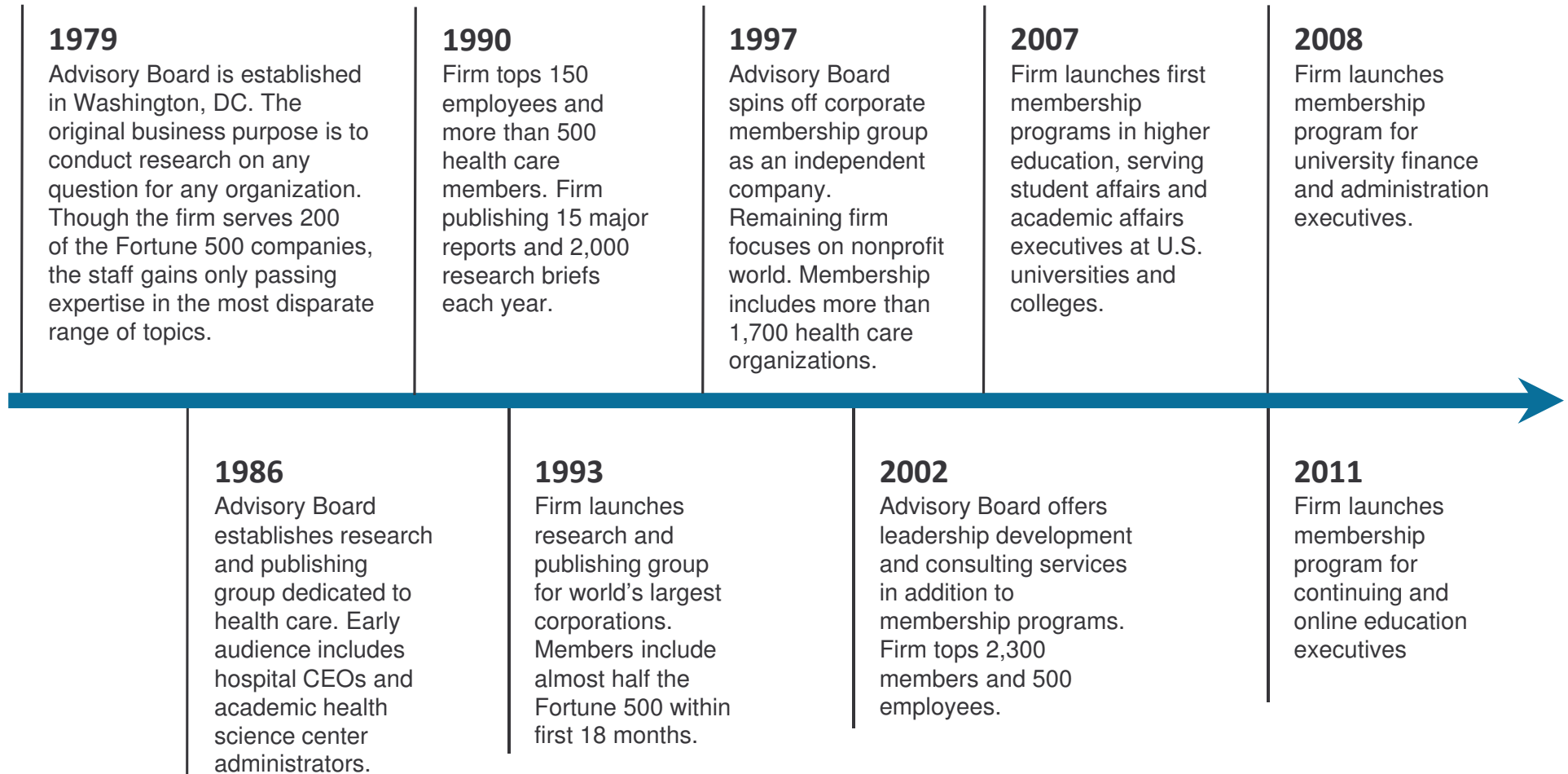
Engaging Faculty in Online Education: Part I

Innovative Budget and Instructional Design Support Models

Continuing and Online Education Forum Webinar

The Advisory Board Company in Brief

Firm History



The Education Advisory Board

Serving 550+ College and University Members



American University
Arizona State University
Babson College
Baylor University
Brandeis University
Brown University
Bryn Mawr College
Bucknell University
Bucks County Community College
Case Western Reserve University
California Institute of Technology
California State University-Long Beach
California State University- Pomona
Carnegie Mellon University
Chadron State University
College of Saint Rose
Colgate University
Concordia College
Cornell University
Dartmouth College
DePaul University
Drake University
Duke University
Eastern Michigan University
Gallaudet University
The George Washington University
Georgetown University
Georgia Institute of Technology
Indiana University
Ivy Tech Community College System

Johns Hopkins University
Kansas State University
Kent State University
La Salle University
Marquette University
Marshall University
Mercer County Community College
Mount Royal University
The New School
New York University
Northern Virginia Community College
Occidental College
Ocean County College
Ohio University
Old Dominion University
Oregon State University
Pomona College
Prince George's Community College
Rensselaer Polytechnic Institute
Rice University
Rochester Institute of Technology
Roosevelt University
Ryerson University
Seattle University
Simmons College
SUNY-College of Technology at Alfred
Suffolk University
Susquehanna University
Syracuse University
Texas Christian University

Texas Tech University
University of Alabama—Birmingham
University of Alberta
University of Calgary
University of California, Berkeley
University of Central Florida
University of Colorado at Boulder
University of Connecticut
University of Delaware
University of Florida
University of Maryland-Baltimore County
University of Massachusetts – Amherst
University of Nevada, Reno
University of New Hampshire
University of New Mexico
University of North Carolina—Chapel Hill
University of Rochester
University of Saskatchewan
University of Texas—San Antonio
University of Winnipeg
University of Wisconsin - Madison
Vanderbilt University
Virginia Tech
Wake Forest University
Washington State University
Washington University In St. Louis
Western Kentucky University
Widener University
Yeshiva University
York University

Education Advisory Board Memberships

University Leadership Council

Research for provosts and senior academic administrators on strategies for elevating performance in teaching, research, and academic administration

University Business Executive Roundtable

Research for administration and finance executives on strategies and best practices for improving financial performance and increasing administrative efficiency

Student Affairs Leadership Council

Research for student affairs executives on strategies and best practices for improving performance across student affairs and perfecting the student experience

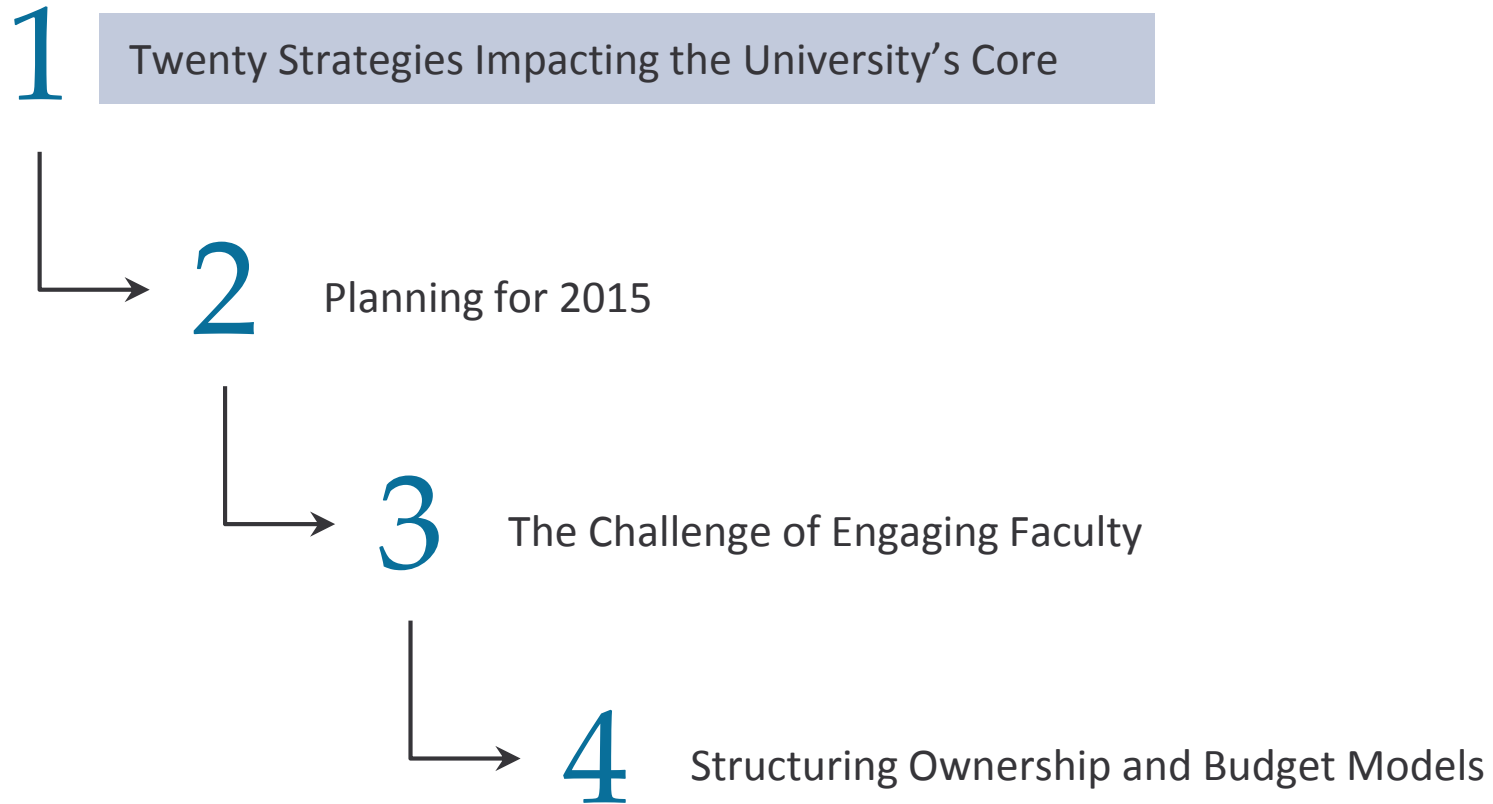
Community College Leadership Forum

Research for presidents and their senior leadership teams on community college finances, campus management, academic affairs, and student services

Continuing and Online Education Forum

Research and market intelligence for deans and other executives charged with creating flexible, innovative programs that serve working adult needs.

Road Map for Discussion



Proof of Trotsky's Farsightedness

Futurists Predict Imminent Breakdown of Higher Ed's Core



Accreditation shifts from institutions to course creators and courses



Tenured professors break from institutions, selling "branded courseware" around the world



Open courseware becomes a path to earning credit



New courseware builder and aggregator enables any expert "to create their own courses and make money from the sale"



Course delivery shifts to mobile phones



Granting of diplomas erodes as students face "a vast array of faster, better, cheaper 'status' options"

An Institution Under Attack

"Colleges have maintained tight control over virtually every aspect of the academic food chain. Professors are carefully recruited, classroom times and schedules are thoroughly planned, courses are tightly prepared, degrees are strategically framed around in-house talent, and academic accomplishments are meticulously positioned to help brand the experience. For this type of system, the days are numbered."

Futurist Thomas Frey

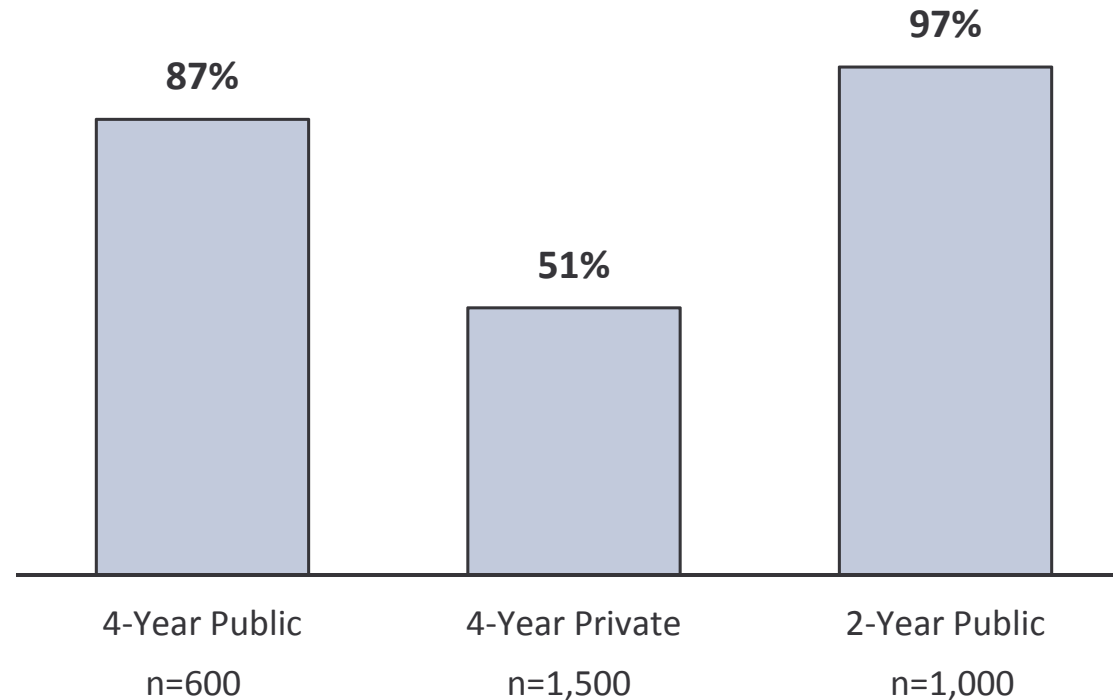
"The Future of Colleges & Universities: Blueprint for a Revolution," 2009

Source: Levine, Arthur, "The Future of Colleges: 9 Inevitable Changes," Chronicle of Higher Education, October 27, 2000; Frey, Thomas, "The Future of Colleges & Universities: Blueprint for a Revolution," <http://www.davinciinstitute.com/papers/the-future-of-colleges-universities-blueprint-for-a-revolution/> (accessed June 9, 2010).

Already a Part of Our Core Enterprise

Institutions Offering Credit-Granting Online or Hybrid Undergraduate Courses

Traditional Colleges and Universities, 2006-2007



Source: Distance Education at Degree-Granting Postsecondary Institutions: 2006-07 (NCES 2009-044), National Center for Education Statistics, US Department of Education, (2008).

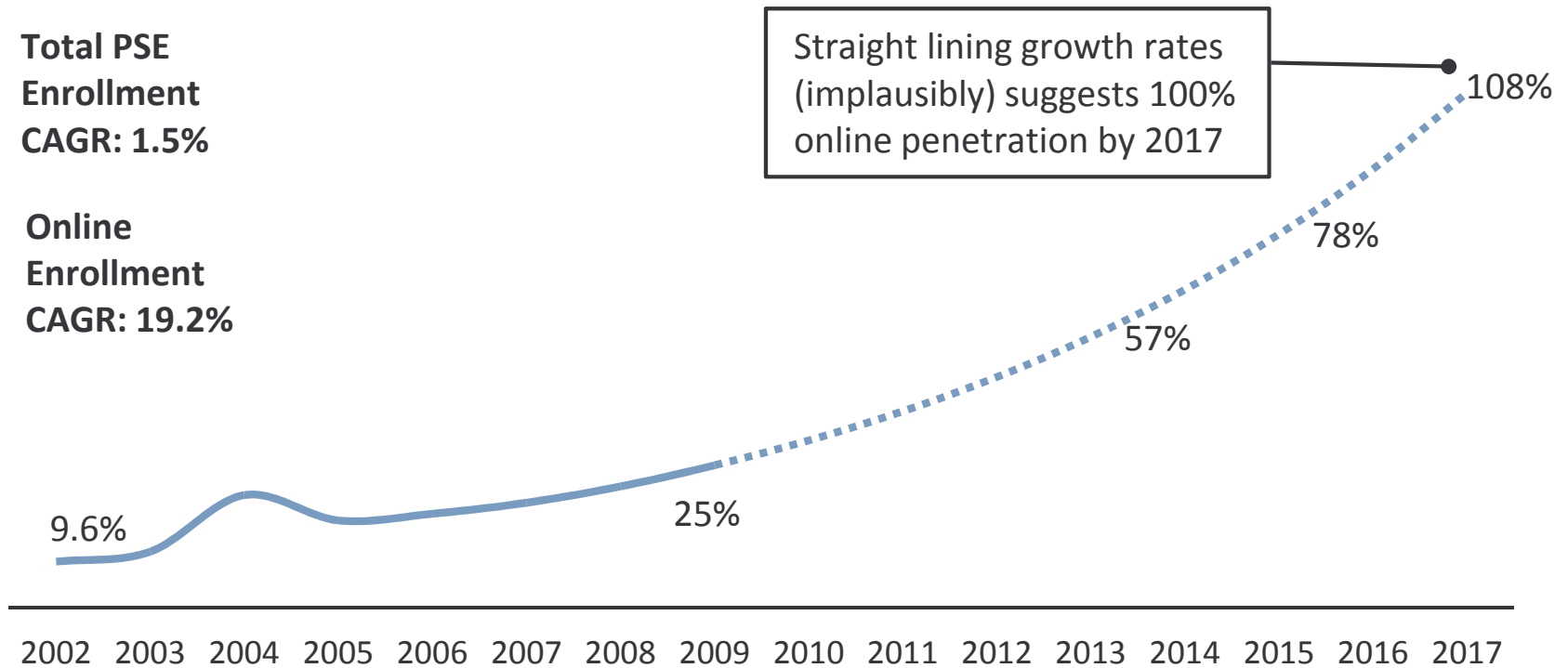
A Straight Shot to a Fully Online Future?

Online Enrollment as a Percentage of Total PSE Enrollment

**Total PSE
Enrollment
CAGR: 1.5%**

**Online
Enrollment
CAGR: 19.2%**

Straight lining growth rates
(implausibly) suggests 100%
online penetration by 2017



Source: Allen, I Elaine and Jeff Seaman, Learning on Demand: Online Education in the United States, 2009, Needham, MA: Sloan-C, 2010.

Twenty Strategic Applications of New Teaching Technology in the University's Core

Recruiting

Growing Enrollments and Tuition Revenue

Building Non-Peak Enrollments

1. Online Summer Offerings

Increasing Enrollments Across Regional/Satellite Campus Catchment Areas

2. Online Courses with Multi-Campus Enrollments

Reaching New Student Populations

3. Active-Duty Military Enrollments
4. Out-of-State Community College Transfers

Academic Costs

Seeking Efficiencies in Instructional Delivery

Transcending Space Constraints

5. Mandatory Hybrid Course Conversions

Increasing Faculty Teaching Capacity

6. Tiered Instructional Support
7. Outsourced Instructional Support

Increasing Curricular Offerings in Low-Demand Areas

8. State System Online Course Consortia
9. Peer Institution and Discipline-Specific Online Course Consortia

Access and Student Success

*Increasing Graduation Rates and
Shortening Time-to-Degree*

Reducing the Opportunity Costs of College Study

- 10. Online and Hybrid Core Requirements
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Improving Student Success in High-Failure Courses

- 13. Student-Centered Course Redesign

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- 14. Pre-Matriculation Developmental Courses

Helping Students Overcome Educational Interruptions

- 15. Online Degree Completion Programs

Student Learning

Enhancing the Academic Experience

Deploying Cutting-Edge Pedagogy

- 16. Web-Mediated Learning Resources

Connecting Non-Collocated Learners and Experts

- 17. Multi-Site Study Abroad Courses
- 18. Global Guest Faculty

Faculty Support

*Attracting and Supporting Faculty
with Off-Site Connections*

Employing Off-Site Star Faculty

- 19. Online-Only Faculty Hires

Facilitating Off-Site Faculty Research

- 20. Semester-Online Teaching Option

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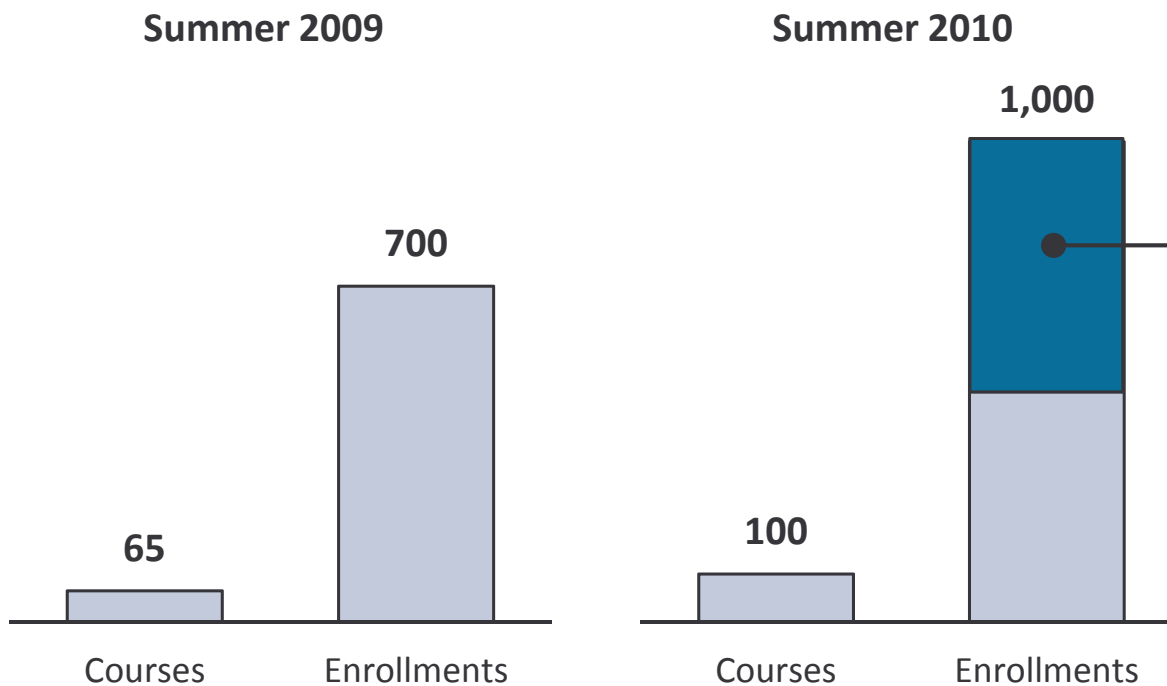
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Online Summer Offerings

SUNY Canton's Virtual Classrooms Filling Up



Growth in Online Summer Session



Extending Reach

"More than half of the students taking summer courses were from other colleges. We had enrollment from 36 different institutions, including University of Tampa, Ohio State, and Arizona State."

Kyle A. Brown
Director of Online Learning

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Mandatory Hybrid Course Conversions

Encouraging Better Classroom Utilization at the California State University, Northridge

F2F Scheduling Schema

2008-2009						
	M		W		F	
Wk 1						
Wk 2						
Wk 3						
Wk 4						

Classroom instruction



Hybrid Scheduling Schema

2009-2010						
	M		W		F	
Wk 1						
Wk 2						
Wk 3						
Wk 4						

Classroom instruction Web-based activities



- 3 day/week courses moved to 2 day/week
- 1 class per week must be held remotely
- Goal: 10-15% of all courses, starting with largest introductory courses

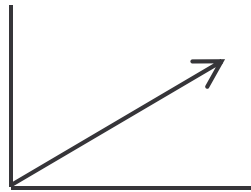


Web Conference

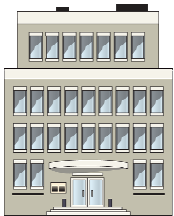


Podcasting

Online Offerings Equal Millions in Avoided Construction Costs



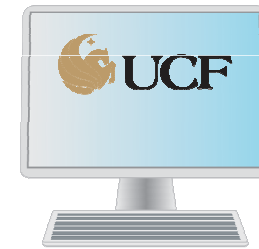
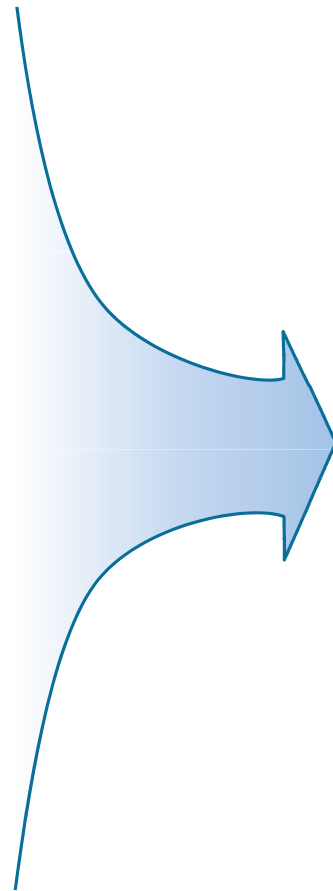
Skyrocketing Enrollment



40% Classroom Shortage



Recurring Budget Cuts



Strategic Online Growth

- In 2008-09 web-based courses accounted for 17%+ of all SCH production
- 50.2% of UCF students registered for at least one fully online or hybrid course

Each seat saved avoided:

- \$6,648 in construction costs
- \$330 in annual maintenance and utility costs
- \$11,000 per parking space

Total cost savings:

- \$27 M in construction costs
- \$1.4 M in annual maintenance and utility costs

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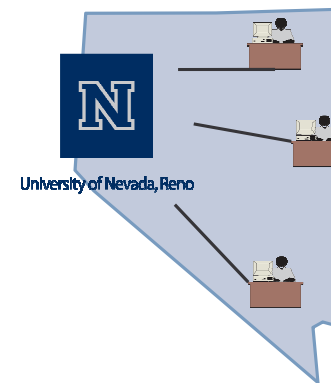
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Pre-Matriculation Developmental Courses

University of Nevada, Reno's "Freshman Start" Program

State Policy Changes Bring New Urgency to Pre-remediation Efforts



- Nearly 50% of incoming class requires remediation in math and/or English
- Legislature prohibits disbursement of state-funded scholarship until all remedial coursework is complete

- Geographic dispersion of incoming class across rural state lowering likelihood of enrollment in on-campus summer courses
- Nearly 1,000 enrollments in summer online developmental math and English courses

Personal Invitation from Provost Encourages Participation



University of Nevada, Reno

Dear Student,

Each year a number of students admitted to the university need extra preparation for the college math curriculum and are placed in MATH 096. As I review your standardized test scores I believe you are one of these students. I strongly encourage you to complete this preparatory math class by enrolling in Freshman Start. This program has been designed specifically to help you be ready for college math in the fall. Success rates in these summer classes are high, and they have proven to be an excellent transition from high school to a successful college experience.

Sincerely,
Marc Johnson
Provost

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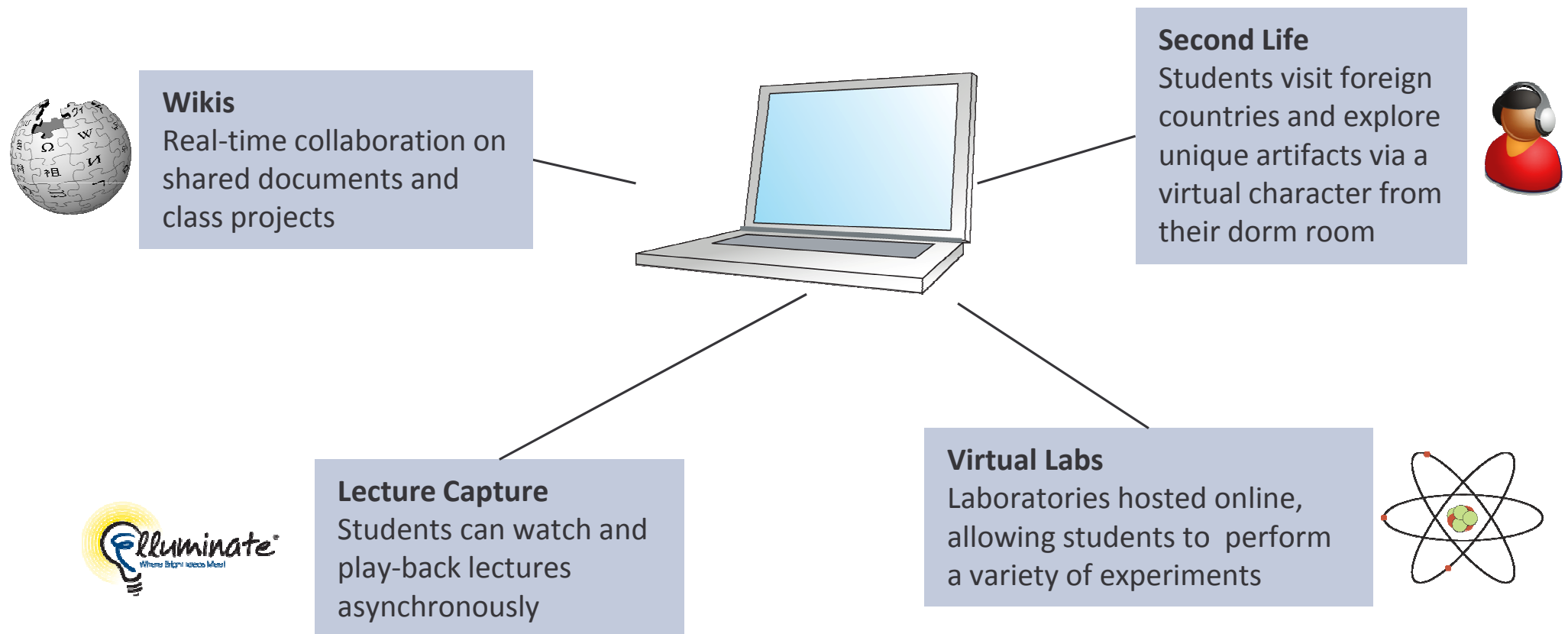
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Integrating State-of-the-Art Teaching Technology

Web-Mediated Learning Resources

New Technology Altering Traditional Learning Landscape



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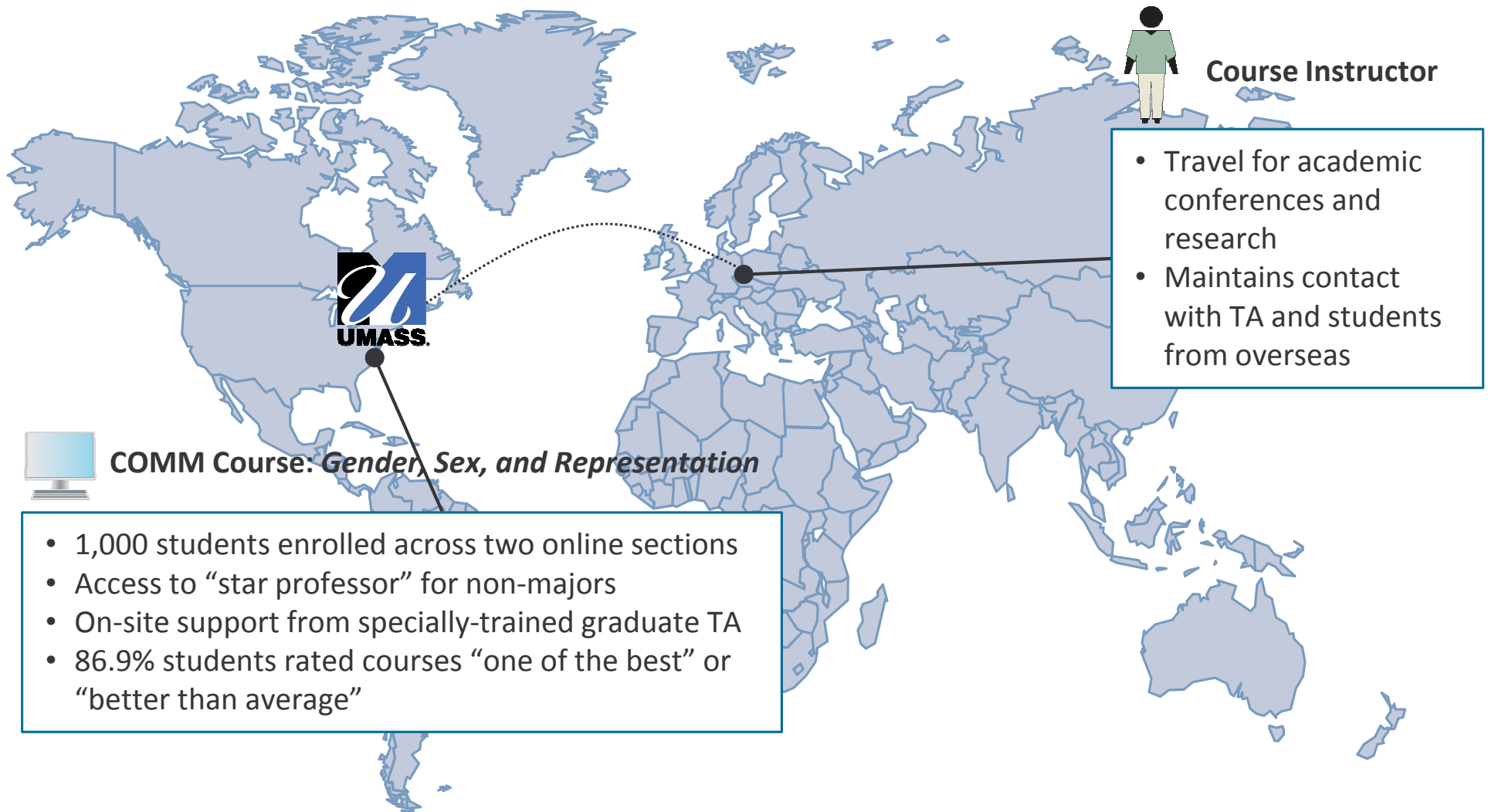
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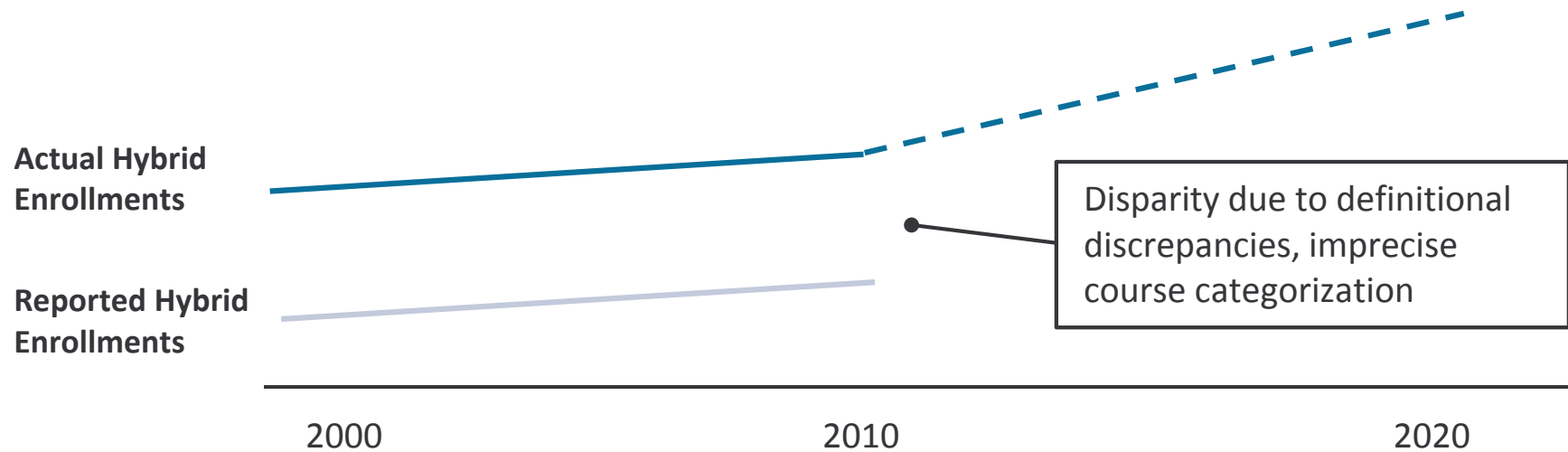
Maintaining Student Access to Faculty Pursuing Scholarship Abroad



A Target, Not a Transitional Strategy

Hybrid Courses Underreported and Poised for Growth

Hybrid Course Enrollments



Challenges Varying Across Academic Units

Determinants of Speed and Ease of Departments' Adoption of Online Education

Disciplinary Characteristics

	Faster Adoption, Broader Faculty Support	Slower Adoption, Broader Faculty Skepticism
Disciplinary consensus	High degree of disciplinary consensus	Low degree of disciplinary consensus
Professional orientation	Close alignment with specific types of professional employment	Weak or indirect alignment with specific types of professional employment
Role of computer technology	Computer technology has been central to the emergence of the discipline and its key analytical methods	Computer technology has played little role in the emergence of the discipline and its key analytical methods

Curricular Characteristics

	Faster Adoption, Broader Faculty Support	Slower Adoption, Broader Faculty Skepticism
Class format	Majority of courses are lecture-based and/or have minimal or no lab or studio components	Significant percentage of courses are discussion-based and/or have substantial lab or studio components
Standardization of learning outcomes	National professional organization has accrediting procedure, articulates detailed student learning outcomes	No accreditation process or student learning outcomes specified by national professional association

Departmental Characteristics

	Faster Adoption, Broader Faculty Support	Slower Adoption, Broader Faculty Skepticism
Faculty composition	Significant number of courses taught by graduate students or non-tenure-track instructors	Tenured and tenure-track faculty teach all or almost all courses
Responsibility for service courses	Department responsible for high number of “service” courses primarily taken by non-majors	Department provides relatively few service courses

Placing the Best Bets

Determinants of Institutional Incentives to Increasing Online Enrollment in Individual Departments

	Greater Potential for ROI	Lower Potential for ROI
Effort and Resources Required to Incentivize Faculty Participation	Faculty inclined to support online education	Faculty highly skeptical of online education
Cost of Instructional Design Resources Per Enrollment	Higher percentage of departmental enrollment concentrated in large, multi-section courses	Departmental enrollment distribute across large number of small courses offered in a single section
Impact on Student Access	High number of majors relative to other departments on campus	Small share of total undergraduate majors
Likely ROI from CPE Programs	High existing and projected demand for post-bachelor's offerings for working professionals	Minimal existing and projected demand for post-bachelor's offerings for working professionals

Road Map for Discussion



Access-Focused Bachelor's, Master's, and Doctoral Institutions

Achieving Breadth and Depth in Course Conversion

- Online and hybrid courses increase substantially to 10-50% of undergraduate credit hours
- Converted courses concentrated in large-enrollment lower-division courses across all units, requirements for select majors, developmental education, and summer courses

Primary Objectives and Curricular Impact



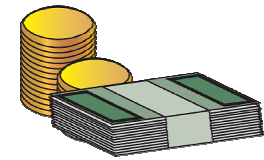
Access and Student Success

- Reducing the Opportunity Costs of College Study
- Improving Persistence of Underprepared Students



Academic Costs

- Transcending Space Constraints



Tuition Revenue

- Building Summer Enrollment

Access and Student Success	Academic Costs	Tuition Revenue
<p>Reducing the Opportunity Costs of College Study</p> <ul style="list-style-type: none"> Core Requirements and Gateway Courses <ul style="list-style-type: none"> Courses converted to online or hybrid format include at least one course satisfying each GE requirement and at least one section of all multi-section introductory courses, totaling 60%+ of all enrollments across such courses Requirements for Select Majors <ul style="list-style-type: none"> Select number of high-enrollment majors chosen for creation of hybrid or (ideally) fully online version of at least one course satisfying every major requirement Chosen majors primarily represent high-consensus, applied fields without major lab requirements, such as business, social sciences, education, psychology, and communications <p>Improving Persistence of Underprepared Students</p> <ul style="list-style-type: none"> Pre-Matriculation Developmental Ed Courses <ul style="list-style-type: none"> 80%+ of developmental education students directed to fully online courses taken prior to matriculation 	<p>Transcending Space Constraints</p> <ul style="list-style-type: none"> Space-Saving Hybrid Course Conversion <ul style="list-style-type: none"> Across-the-curriculum conversion of large enrollment courses to hybrid format combined with cross-schedule of remaining class meetings to halve classroom requirements Beneficial only for institutions with growing enrollment, where cross-scheduling obviates otherwise necessary expenditures in construction of new classroom space 	<p>Building Summer Enrollments</p> <ul style="list-style-type: none"> Fully Online Summer Courses <ul style="list-style-type: none"> Substantial number of fully online summer courses created, comprising 70-90%+ of total summer enrollments Offerings focus on high-enrollment GE and gateway courses and upper and lower-division offerings in high-enrollment majors

Public Research Universities with Very High Research Activity

Pursuing Low-Hanging Fruit with Highest ROI

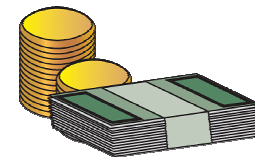
- Non-traditional delivery format achieved in 5-15% of undergraduate credit hours, with more focus on hybrid than fully online courses
- Greater skepticism of non-traditional formats among research-focused faculty a primary implementation consideration

Primary Objectives and Curricular Impact



Access and Student Success

- Reducing the Opportunity Costs of College Study
- Improving Persistence of Underprepared Students



Tuition Revenue

- Building Summer Enrollment

Access and Student Success	Tuition Revenue
<p>Reducing the Opportunity Costs of College Study</p> <ul style="list-style-type: none"> • High-enrollment service courses with which research faculty have the lowest involvement and attachment <ul style="list-style-type: none"> • 30-60%+ of seats converted, primarily to hybrid format • If necessary, begin with large lecture courses in high-consensus fields, converting small-section, discussion-focused courses from low-consensus fields in the future • Gateway courses in high-enrollment majors in high consensus disciplines <ul style="list-style-type: none"> • Convert at least one section of every to hybrid or fully online format with goal of reaching 40-60% of enrollment • Focus on applied fields without major lab requirements, such as business, social sciences, education, psychology, communications <p>Improving Persistence of Underprepared Students</p> <ul style="list-style-type: none"> • Pre-Matriculation Developmental Ed Courses <ul style="list-style-type: none"> • 80%+ of developmental education students directed to fully online courses taken prior to matriculation 	<p>Building Summer Enrollments</p> <ul style="list-style-type: none"> • Fully Online Summer Courses <ul style="list-style-type: none"> • Substantial number of fully online summer courses created, comprising 70-90%+ of total summer enrollments • Offerings focus on high-enrollment GE and gateway courses and upper and lower-division offerings in high-enrollment majors

Private Research Universities and Four-Year Colleges With Undergraduate Programs Focused on the Residential Experience

Web Enhancement of Traditional Courses; Select Hybrid and Fully Online Signature Offerings

- Broad integration of cutting-edge web-mediated learning resources, touching 80%+ of courses
- Selective deployment of hybrid and fully online formats to create different-in-kind global learning opportunities, gain efficiencies in expanding low-demand curricular offerings, maintain student access to off-site star faculty, and increase summer revenue

Primary Objectives and Curricular Impact



Academic Enrichment

- Deploying Cutting-Edge Pedagogy
- Connecting Non-Colocated Learners and Experts
- Maintaining Student Access to Off-Site Star Faculty
- Increasing Curricular Offerings



Tuition Revenue

- Building Summer Enrollment

Academic Enrichment

Deploying Cutting-Edge Pedagogy

- Web-Mediated Learning Resources
 - Enhance interactivity and student experience by incorporating wikis, blogs, virtual environments, simulations, etc. into existing f2f course

Connecting Non-Colocated Learners and Experts

- Multi-Site Study Abroad Courses
 - Signature online courses engage students studying abroad in various international locations in interdisciplinary, intercultural study
- Global Guest Faculty
 - On-site and global faculty team teach an online or hybrid course for on campus students, exposing place-bound students to international expertise

Maintaining Student Access to Off-Site Star Faculty

- Semester Online Option to Support Faculty Research
 - Provides opportunity not only to support faculty research productivity and maintain student access to star faculty but also to engage students in a virtual format in faculty research

Increasing Curricular Offerings

- Peer Institution and Discipline-Specific Consortia
 - Cost-efficient strategy for expanding curricular offerings
 - Used especially to accommodate individual student requests for instruction in uncommon languages and other topics outside standard curriculum as well as to enhance offerings in low-demand majors (such as Classics) or rapidly evolving disciplines (such as engineering)

Tuition Revenue

Building Summer Enrollments

- Fully Online Summer Courses
 - Substantial number of fully online summer courses created, comprising 70-90%+ of total summer enrollments
- Offerings focus on high-enrollment GE and gateway courses and upper and lower-division offerings in high-enrollment majors

Community Colleges

Continuing the Migration to Comprehensive Online Offerings

- Online and hybrid offerings reach 30-70%+ of all credit hours

Primary Objectives and Curricular Impact



Access and Student Success

- Reducing the Opportunity Costs of College Study

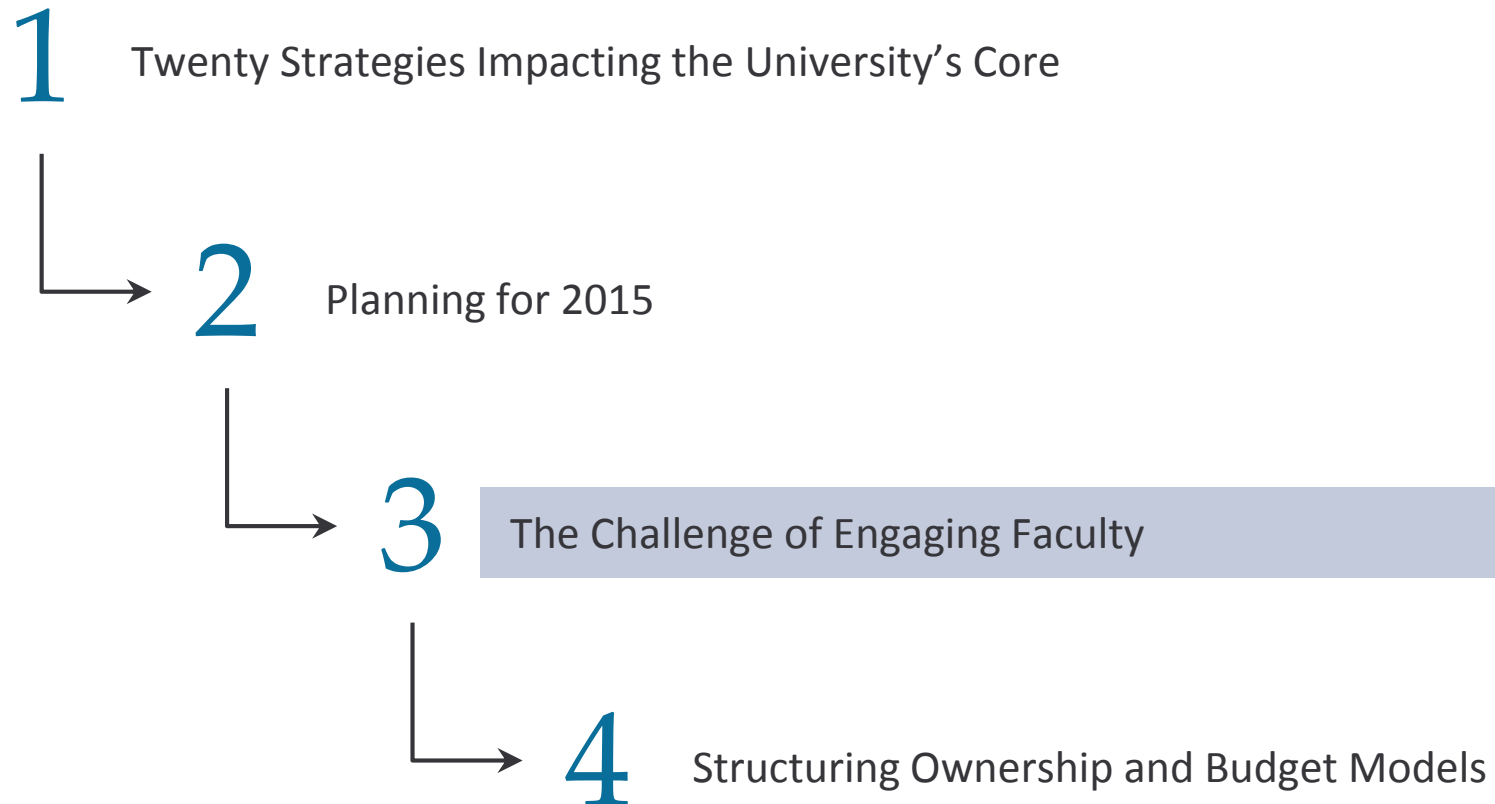


Academic Costs

- Transcending Space Constraints

Access and Student Success	Academic Costs
Reducing the Opportunity Costs of College Study <ul style="list-style-type: none">• Converted offerings span the entire curriculum; except for lab-based or practicum courses, at least one section of every course offered in online or hybrid format	Transcending Space Constraints <ul style="list-style-type: none">• Need for construction of new classroom space substantially reduced by offering substantial number of fully online courses and cross-scheduling of hybrid courses

Road Map for Discussion

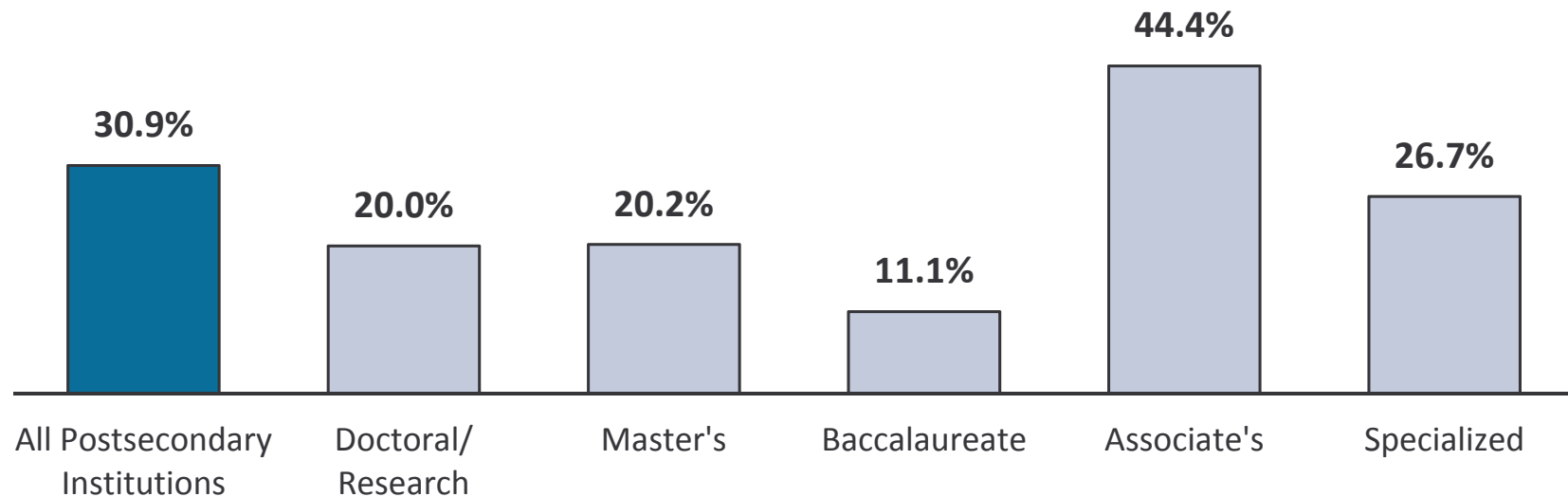


Widespread Faculty Resistance

Chief Academic Officers (CAOs) Reporting That Faculty at Institution Accept the Value and Legitimacy of Online Education¹

Sloan Consortium, 2009

n=2,590 CAOs

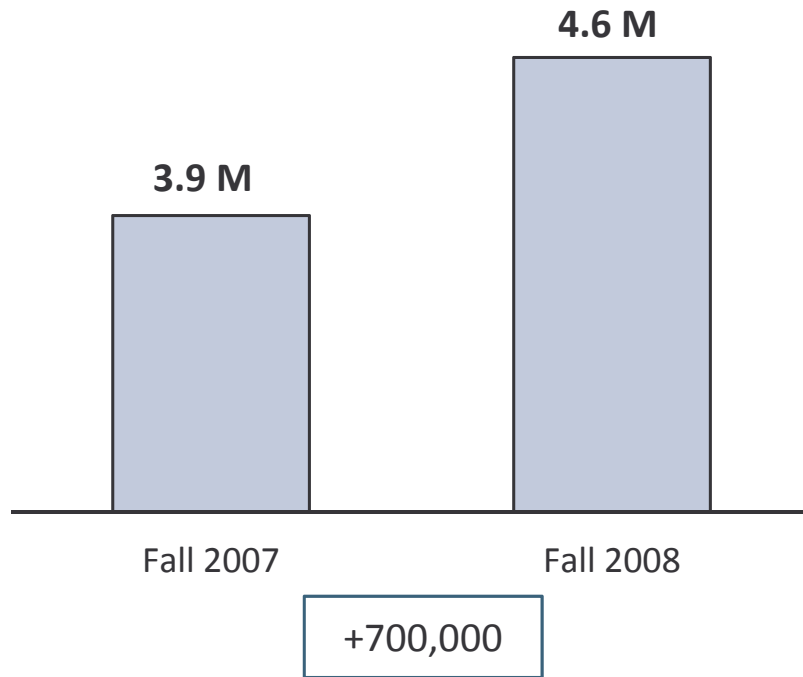


¹ Percentage of CAO's agreeing with the statement: "Faculty at my school accept the value and legitimacy of online education."

Opposition Increasing as Online Learning Grows

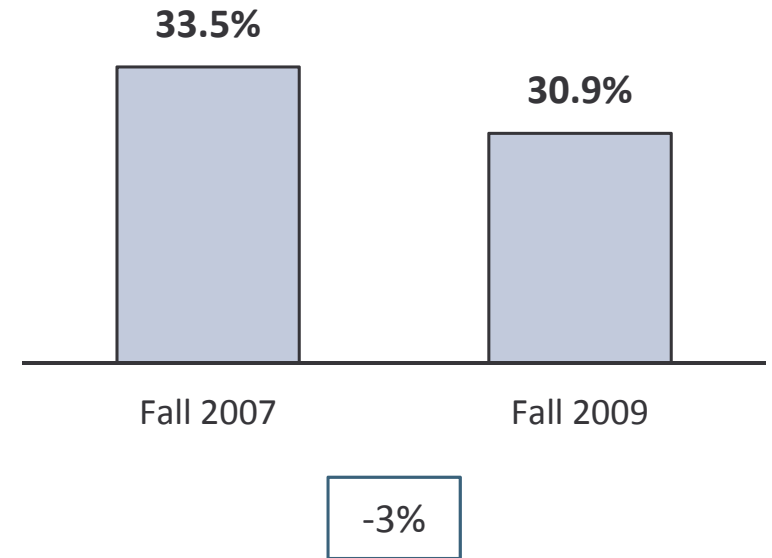
PSE Students Enrolled in at Least One Online Course

n=2,590



CAO's Reporting Faculty Accept Online Education¹

n=2,590



¹ Percentage of CAO's agreeing with the statement: "Faculty at my school accept the value and legitimacy of online education."

Not What I Signed Up For

Implications of Faculty Autonomy and Control

	Traditional Courses	Online Courses
Scheduling	Preparation for individual class sessions distributed across semester	Learning activities must be fully designed before semester begins
Revision	Easy to alter from year-to-year or even mid semester	Major barrier to substantial mid-semester and semester-to-semester revisions
Independence	Preparation completed independently	Collaboration with instructional design staff
Accountability	After initial approval, no formal process for review of course content or pedagogy	Pedagogical choices subject to review and may need to be formally approved
Mastery	Pedagogy is second nature, since faculty have more than 20 years' experience as students in face-to-face classes	Mastery of online pedagogy requires substantial time commitment, instruction from others
Visibility	No record of class sessions or most student interactions	Digital record of course increases potential for scrutiny by students or colleagues
Ownership	Only faculty member has possession of course content and assignments; intellectual property sole possession of faculty member	Content of course and all assignments housed on university server; intellectual property held jointly with university

Pre-Semester Work for a New Online Course

Training

- LMS training
- Technology skills workshops
- Online pedagogy course

Instructional Design

- Articulate learning objectives
- “Chunk” learning into series of internet-mediated activities
- Distribute learning activity deadlines across 5+ days per week
- Convert lectures to mini-recordings or short text-based selections
- Select audio and video clips to accompany text
- Design formative assessments
- Write prompts for asynchronous discussion board assignments
- Plan schedule for synchronous online sessions
- Design summative assessment, rubrics

Interface Design

- Finalize course template and navigation toolbar
- Standardize placement of support service links and information
- Design Help or FAQ page

Courseware Development

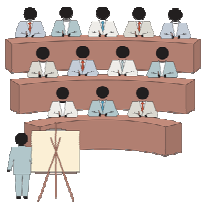
- Create web graphics
- Create HTML pages with content and graphics
- Build CGI scripts for applications, i.e. discussion boards, calendars, quizzes
- Add links to CGI scripts to HTML pages
- Insert Java coding

Quality Assessment and Approval

- Conduct review for adherence to pedagogical and technological standards
- Design student and faculty satisfaction survey

New Costs of Doing Business

Need to Engage Faculty in Online Education Triggering New Spending



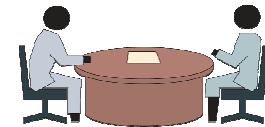
Training in Faculty Online Pedagogy and Course Design

- Trainer compensation
- Creation of self-help resources
- Faculty stipends
- Replacement instructors for faculty receiving course release



Incentivizing Faculty to Teach Online

- Faculty stipends
- Instructional costs associated with lower enrollment caps



Resourcing Online Course Development

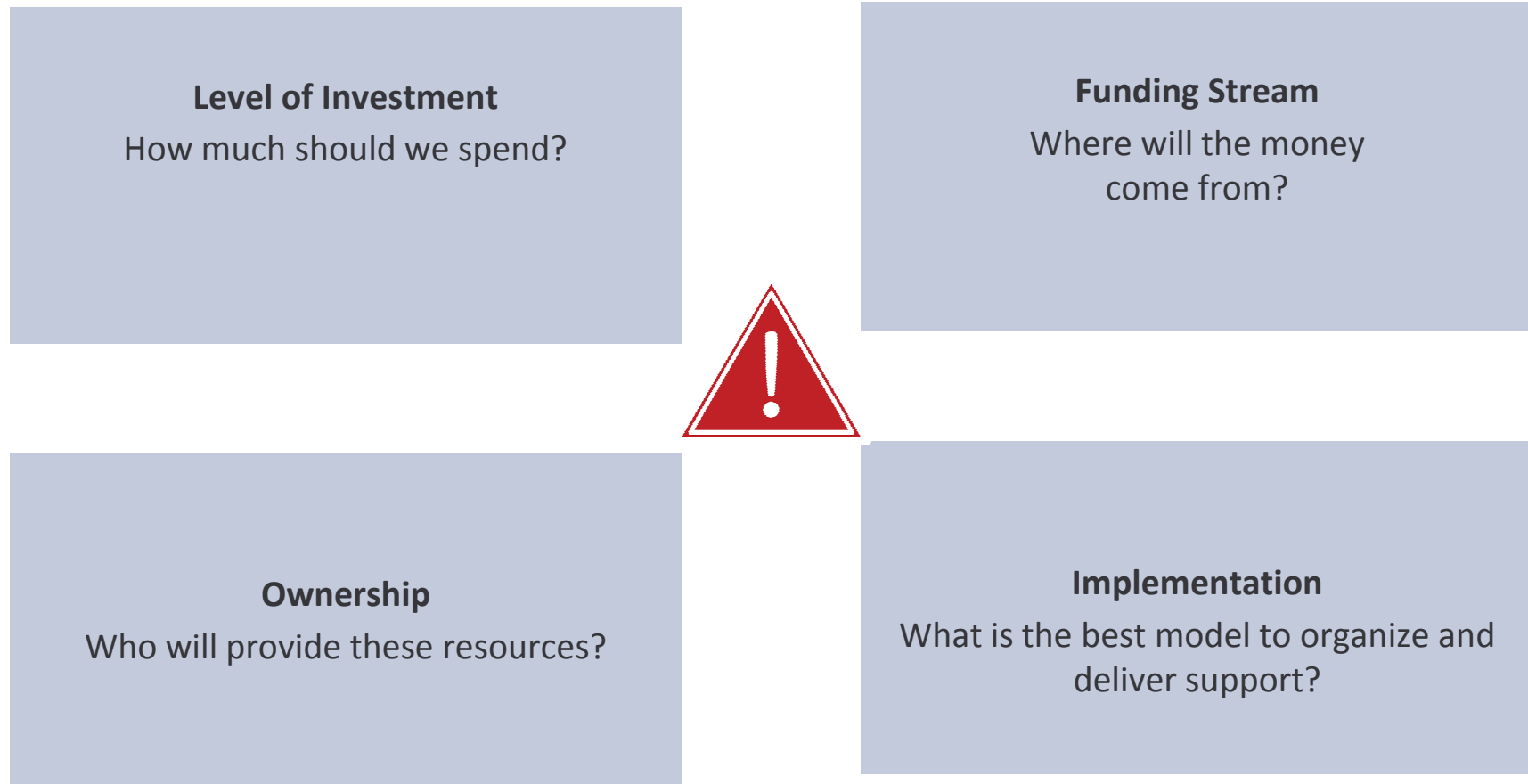
- Faculty stipends
- Instructional design support (from staff or vendors)
- Replacement instructors for faculty receiving course release

Transitional Costs

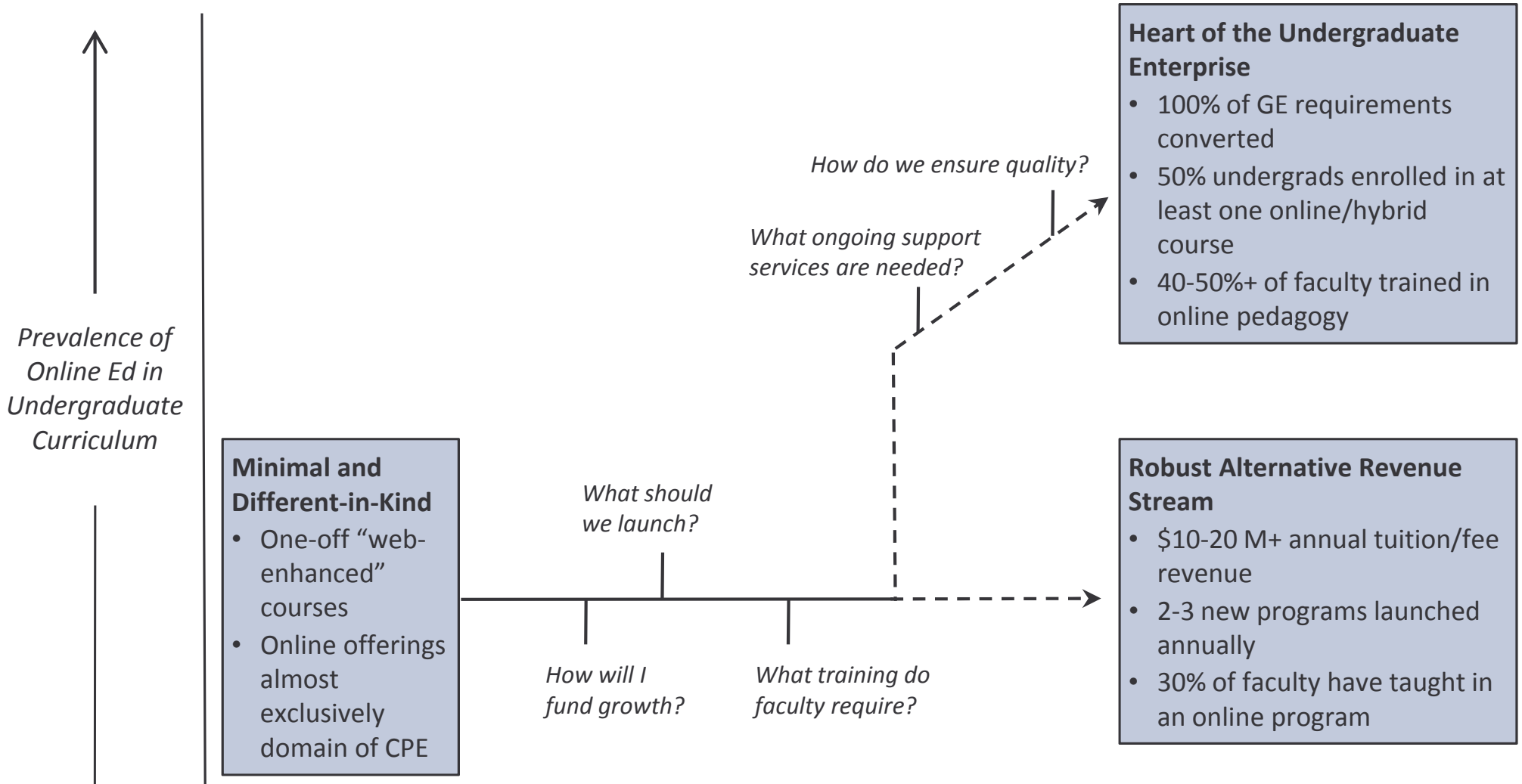
Longer-term Expenses

Struggling with Questions

Struggling with the Questions Around Realizing Online Ambitions



The Path to Mission-Critical



Road Map for Discussion



Engaging Faculty in Online Education

*Creating Infrastructure for
Migrating the Curriculum Online*

I

Structuring Ownership and Budget Models

- #1 Sustainable Revenue Distribution Formula
- #2 Prioritized Course Migration Plan

Rightsizing Faculty Incentives and Optimizing Faculty Support

II

Training Faculty in Online Pedagogy

- #3 Tiered Courses in Pedagogy and Design
- #4 Faculty Peer Mentorship Program
- #5 In-Load Faculty-Taught Online Training

III

Resourcing Online Course Development

- #6 Course Production Outsourcing
- #7 Start-to-Finish Course Consultant
- #8 DIY Course Design Resources
- #9 Multi-Expert Development Team

**Benchmarks on
Faculty Compensation**

IV

Safeguarding Quality

- #10 Automatic Pre-Launch Course Screening
- #11 Detailed Course Peer Review
- #12 Longitudinal Effectiveness Analysis

Do Not Try This at Home

Failure Paths for Ownership of Online Ed Courses and Resources

Giving Too Much to Continuing/ Professional Ed

- Self-funded CPE unit owns all online courses and associated tuition
- Growing percentage of full-time SCH and tuition dollars accruing in CPE
- Difficult, expensive to engage core faculty
- Potential for cannibalization of existing face-to-face offerings



Limited Core Faculty Participation



Perverse Financial Incentives

Providing No Resources or Incentives

- Center directs core academic units to put courses online but provides no incentive to deans or departments
- Minimal resources for training in online pedagogy



Few Online Courses



Uneven Course Quality

Incentivizing Academic Units Without Centralizing Support

- Units left to own devices or directed to use CPE resources
- Demand for design support exceeds internal capacity
- Deans and departments may hire own supplemental support, creating confusion and costly duplication, or contract directly with vendors



Uneven Course Quality



Paying More for Suboptimal Services



Losing Dollars to Vendors

Distributed Ownership, Centralized Support

Practice #1: Sustainable Revenue Distribution Model

Distribution of Online Course Tuition Revenue

Unit	Common Revenue Uses
Dean, Department, Faculty (40-80%)	<ul style="list-style-type: none"> • Direct instructional costs • Coverage for course releases • Faculty stipends • Discretionary spending
Shared Service Unit (10-50%)	<ul style="list-style-type: none"> • Faculty training programs • Course production infrastructure and staff • Ongoing support services <ul style="list-style-type: none"> • Test proctoring • Technical support
Provost/General Fund (10-20%)	<ul style="list-style-type: none"> • Portfolio growth • Indirect /overhead costs <ul style="list-style-type: none"> • Finance and administration • Library • Information technology • Student services (registrar, admissions)

Key Criteria for Funding Models	
✓	Reinforces unit-level support for institution's online education strategy
✓	Transparent and simple to understand
✓	Compatible with funding model for traditional face-to-face instruction
✓	Appropriately recognizes development and delivery costs
✓	Viewed as “working formula,” not set-in-stone
✓	Re-evaluated as initial development and training costs diminish

Looking Beyond Tuition Revenue

Additional Funding for Continued Growth



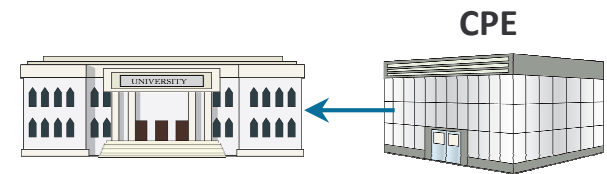
Distributing the Burden Broadly

- Institution's General Fund
- Increasing Student Technology Fee



Targeting End Users




- Online Course Fee






Tapping Revenue-Generating Programs

- Cross-subsidy from Continuing/Professional Ed
- Online Summer and Intersession Programs




Using the General Fund

Advantages 	<ul style="list-style-type: none">• Funding is predictable and available immediately
Limitations 	<ul style="list-style-type: none">• Requires tuition increase or difficult decisions to redirect funds away from other institutional priorities• Available funding may not be sufficient to cover all costs• Opposition most likely from champions of priorities losing funding
Applicability 	<ul style="list-style-type: none">• Best for institutions where critical component of strategic plan is putting major portion of curriculum online and private institutions, which face fewer barriers to augmenting general fund through tuition increases

Increasing the Student Technology Fee

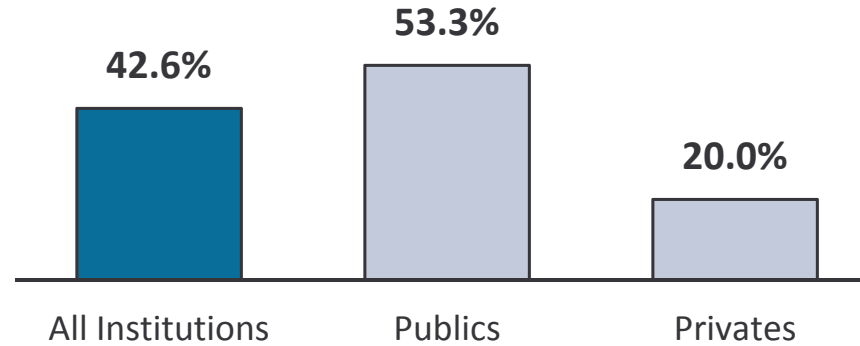
Advantages 	<ul style="list-style-type: none">• Funding is predictable
Limitations 	<ul style="list-style-type: none">• At public institutions, requires lengthy and often contentious approval process (existing IT budget generally too tight to support activity needed without increased funds)• Opposition most likely from students sensitive to price increases and IT units fearing dilution of already tight budgets
Applicability 	<ul style="list-style-type: none">• Limited applicability; public institutions with a high percentage of students desiring online courses may consider this option; private institutions have less incentive to direct cost increases through fees as opposed to tuition

Assessing a Special Fee for Online Courses

Advantages 	<ul style="list-style-type: none">• Unlikely to trigger internecine turf wars as already allocated resources remain untouched
Limitations 	<ul style="list-style-type: none">• Especially in early years, fluctuations in enrollment make funding unpredictable• Institutions without substantial online enrollment may find it difficult to set fee high enough to cover all costs without eliciting pushback• Opposition most likely from students prompted to enroll in online courses by limited availability of face-to-face courses, rather than preference for online format• Visibility of cost structure increases likelihood of student pushback
Applicability 	<ul style="list-style-type: none">• Broad applicability; especially for publics with limited ability to draw sufficient dollars from general fund or alter tuition allocation models

Institutions Charging Fees for Online Courses




n=61



Fees Assessed Per Credit Hour




	Undergraduate (n=32)	Graduate (n=38)
Median Course Fee	\$75.00	\$62.50
Minimum	\$11.00	\$18.00
Maximum	\$200.00	\$351.00

Cross-Subsidy from Continuing/Professional Ed¹

Advantages 	<ul style="list-style-type: none">• Potential to generate substantial, predictable, and immediately available funding
Limitations 	<ul style="list-style-type: none">• Requires large and sufficiently profitable CPE operation as well as reporting structure that allows provost to redistribute revenue• In some states, illegal to redirect dollars from self-funded CPE unit to state-funded courses• Decreases dollars available for CPE program innovation, which may generate better ROI than increasing number of online courses in core academic departments
Applicability 	<ul style="list-style-type: none">• Best for institutions with a reporting structure that allows the provost to redirect CPE dollars, with a highly profitable CPE unit, and where efforts to raise tuition or fees or defund other priorities would produce paralyzing contention but trading off decreased ROI from CPE would not

¹ Profits of self-funded CPE unit fund development of online courses in core academic units

Launching Online Courses as Summer Offerings

Advantages 	<ul style="list-style-type: none">• Summer courses generate substantial revenue, not subject to same restrictions on allocation as other tuition dollars• Courses developed as summer offerings can later be deployed in the academic year• Faculty more likely to innovate with online instruction during summer
Limitations 	<ul style="list-style-type: none">• Fluctuations in enrollment may make funding unpredictable,• Number of online students may be too small to generate substantial revenue initially
Applicability 	<ul style="list-style-type: none">• Broad applicability; any institution may consider this option

An Ounce of Prevention...

Consequences of a “Wild West” Approach to Online Migration



Failing to Convert High-Demand Courses

- Students at large, public university facing over-subscribed courses, delayed graduation
- Push to convert required courses to online format results in haphazard offerings not aligned with student need
- Students enroll in online courses offered by other institutions with articulation agreements

Result:

Losing Tuition Dollars
to Other Institutions



Cannibalizing Existing Courses

- In effort to win faculty support for online, university allocates 47.5% of course tuition directly to instructors
- Absent policy on type, number of courses that can be developed, rapid proliferation occurs
- New online courses draw enrollments away from existing face-to-face courses

Result:

Increasing Instructional Costs

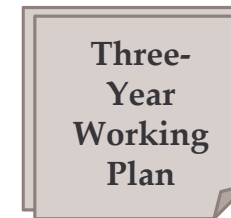
Directing Resources to the Most Critical Courses

Practice #2: Prioritized Course Migration Plan



University of Central Florida's Online Strategy Team

- Four Vice Provosts: IT and Resources, Undergraduate Education, Graduate Education, and Regional Campuses
- Meet every three weeks to discuss distance learning strategy
- Evaluate enrollment data, market research to identify emerging “hot areas” and student needs



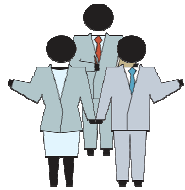
General Principles for Prioritization

- General Education courses
- Building blocks for full BA/BS
- Revenue-generating master's programs

Balancing Top-Down Goals with Bottom-Up Requests



Annual Review of Unit-Level Proposals for Online Course Development



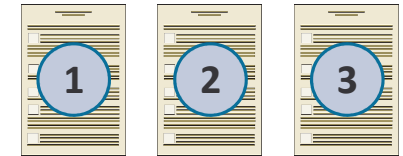
Colleges Submit Course Proposals

- Deans collect new course and program ideas from chairs and faculty
- Present ideas to VPs at annual summit



Strategy Team Applies Evaluation Criteria

- *Does the course align with the course migration plan?*
- *Is there sufficient interest from departmental faculty?*
- *Does the proposal show evidence of unmet student demand?*
- *Will this course contribute to the launch of a full degree program?*



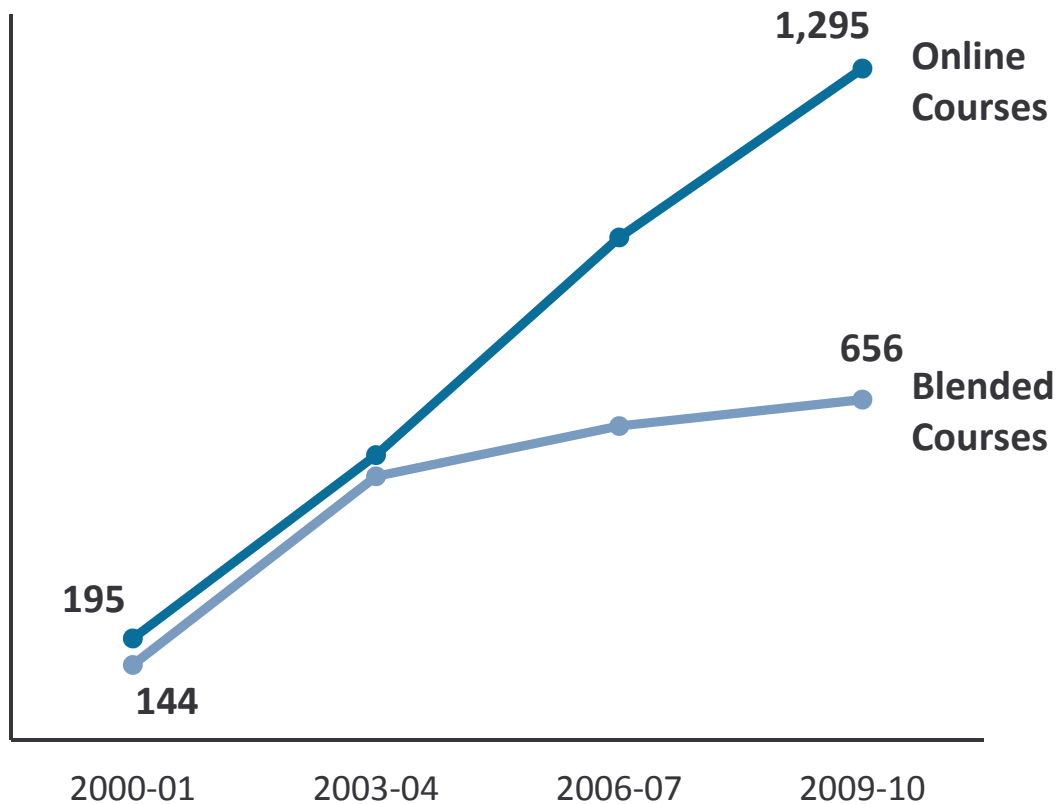
Priority Status Assigned

- Enrollment in next available faculty training course
- First access to instructional design resources
- Central funding for course development

Driving Smart Growth in Online Offerings

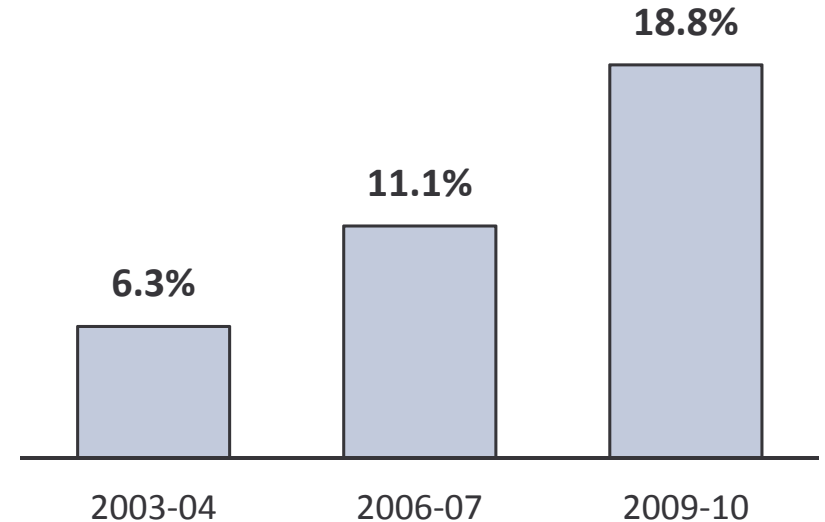
Blended and Online Courses

University of Central Florida



Online Courses as a Percentage of Total SCH

University of Central Florida



Source: Dziuban, Charles D. and Patsy D. Moskal, "UCF's Distributed Learning Impact Evaluation," <http://dl.ucf.edu/research/rite/presentations/>, (accessed June 1, 2010); University Leadership Council interviews and analysis.

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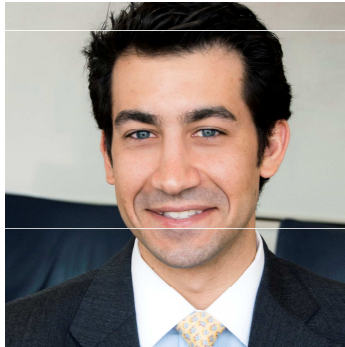
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