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MEMORANDUM

Date: October 14, 2014
Date Revised: October 28, 2014

To: Paul Layer, Dean CNSM
                Martha Mason, Director OIT
                Todd Sherman, Dean CLA
                Teisha Simmons, Director IAC
                Nickole Conley, CEM Chief Financial Officer
                Philip Patterson, Associate Professor, Special Education

From: Brian Rogers, Chancellor

Re: **eLearning Special Program Review – *Revised to include Phillip Patterson***

Background

UAF has a long history of providing distance delivery options for many of its academic courses. The College of Community and Rural Development really led the way in developing options to address the needs of students who wanted alternatives to attending in-person on-campus classes. UAF now offers synchronous audio and video-conference courses, asynchronous fully on-line courses, and hybrids of these and traditional in-person classes.

In recent years, we have seen, both at UAF and nationally, an explosion of student interest in taking asynchronous fully on-line courses. In 2012, to better respond to the demand for more on-line courses from all of UAF's schools, I created UAF eLearning as a centralized resource in the Chancellor's Office for development and delivery of all asynchronous on-line courses and created an eLearning Advisory Council. Courses that are not fully asynchronous or fully on-line are generally managed from the respective schools or colleges offering those courses.

UAF eLearning operates primarily as a self-support unit. Prior to 2010, eLearning retained tuition and paid for instruction in the courses they offered. Between 2010-2012 eLearning agreements with individual schools and colleges resulted in a variety of tuition splits. In 2013, in consultation with the eLearning Advisory Council, I modified the eLearning funding model to achieve consistency, eliminating individual agreements. Today, tuition revenue from eLearning courses is split between the sponsoring department and the eLearning unit either 60/40 respectively (for courses offered by Fairbanks campus departments) or 75/25 respectively (for courses offered by CRCD or one of the community campuses).

All instructional costs, including faculty/adjunct salary for course development and course instruction, are borne by academic departments.

In spring 2014, the FY 2014 Planning and Budget Committee was tasked with identifying spending reduction and revenue enhancement steps that could be implemented to address UAF's budget gap. In its final report, the PBC noted that *"Distance-delivered programs represent a significant growth opportunity for UAF. …If degrees are made fully available online, enrollment and tuition revenue is projected to increase. …A different model might promote or incentivize schools to move full degree programs online. In the current model schools may not get direct support…to move more programs fully online. Schools/colleges want a higher proportion of generated tuition revenues. … eLearning should undergo a special review in FY 15. The PBC recommends preserving centralized eLearning activities; however, a review will help determine what is most cost effective so alternate operational models and/or tuition sharing can be considered. "* (See attached for full relevant excerpt from PBC report.) The UAF Cabinet and I agree that a Special Program Review of eLearning would be helpful for future planning purposes.

Special Program Review Scope

Analysis

One important element of the eLearning review should be an analysis of costs/revenues associated with asynchronous on-line courses, what drives those costs/revenues, and where the costs are currently borne in UAF's system.

- What are the costs to <u>develop</u> a new on-line course? Which of these costs are borne by eLearning, by the department developing the course, by other UAF units?
- If multiple on-line courses are developed for one degree program, are there any economies of scale?
- Are there some types of courses that are more costly to develop as on-line courses (e.g. science courses, language courses, etc.)? Are there clear cost groups?
- What are the costs (by course, by student) for <u>delivering</u> an on-line course? Which of these costs are borne by eLearning, by the department providing the course, by other UAF units?
- If a student enrolls in more than one on-line course per semester, are there any economies of scale?
- Are there some types of courses that are more costly to deliver as on-line courses? Are there clear cost groups?
- What level of revenue per course offered, over what period of time, is needed to offset likely development and delivery costs?
- What types of overhead costs do eLearning, the departments, or other UAF units incur in developing, providing, evaluating on-line courses that are not captured in the assessments of per course development and delivery costs?
- Are there efficiencies that might improve cost/benefits? Is there duplication of effort between eLearning and academic units? Does the current division of labor in developing and delivering courses seem appropriate?

- Another important element of the eLearning review should be to consider how this service delivery modality assists/hinders UAF's effectiveness in meeting larger objectives:
- Do students enrolled in eLearning classes appear to have different characteristics than students enrolled only in traditional classroom based courses or in other forms of distance delivery? Is UAF reaching certain segments of students more effectively with the expansion of eLearning courses?
- Are outcomes for eLearning students different in any way than for traditional students or for students enrolled in other forms of distance delivery (e.g. do retention patterns look different for these students, do they graduate at slower/faster rates, etc.)
- Do programs that offer entire degree programs online seem to be serving more students in total, rather than the same students via a new modality?
- How do eLearning and the schools/colleges prioritize which courses are developed into on-line courses?

Recommendations

- Please identify ways in which eLearning may be most likely to increase enrollments and revenue for UAF.
- Based on the assessment of the distribution of costs/revenues, please make recommendations about a funding model for eLearning that is most likely to:
  - meet UAF's enrollment and revenue goals
  - provide stable funding for eLearning operations
  - enable transfer of tuition revenues to central budget to help pay for centrally delivered services.
- The eLearning special review should offer recommendations on other issues as you deem appropriate.

Review Committee

I am appointing the following individuals to serve as members of the eLearning Special Program Review Committee:

- Nickole Conley, CEM Chief Financial Officer
- Paul Layer, Dean CNSM, Chair
- Martha Mason, Director OIT
- Phillip Patterson, Associate Professor, Special Education
- Todd Sherman, Dean CLA
- Teisha Simmons, Director IAC

Process

The goal of this special review is to make recommendations regarding changes that could be implemented with the new fiscal year. Because the eLearning unit and the departments may need lead time to plan for implementation of changes, final recommendations are due from the Special Review Committee to me and Cabinet by January 9th.

The Office of Management and Budget and Planning, Analysis and Institutional Research will assist the Committee in identifying sources of data that might be useful in its work. Sylvan Robb, (474-6199, ssrobb@alaska.edu) will serve as an OMB/PAIR point of contact for the eLearning review committee. Kari Burrell, UAF's Executive Officer, (474-7489, kari.burrell@alaska.edu) is also available to the Committee as a resource in thinking about goals and approach.

Thank you for agreeing to serve on the eLearning Special Program Review Committee.   I believe distance delivery education will continue to grow as an important UAF service option. Your work on this Committee will assist UAF leadership in setting near term priorities for eLearning in this dynamic environment.

CC: Kari Burrell, Executive Officer
        Carol Gering, Director, eLearning
        Susan Henrichs, Provost
        Pat Pitney, Vice Chancellor for Administrative Services
        Sylvan Robb, Senior Program Analyst, Office of Management and Budget