# Online Education: Where Is It Going? What Should Boards Know?

## BY KENNETH C. GREEN AND ELLEN WAGNER

## TAKEAWAYS

1 Online learning is an increasingly prominent and legitimate presence in higher education—nearly one third of full-time and part time students at nonprofit and for-profit institutions took one or more online courses in 2009.

2 When considering adding or expanding online courses, boards need to ask themselves: Why are we online? What will it cost? How do we support participating faculty members and students? How do we assess the quality of online programs?

3 Despite the increase in opportunities to grow online enrollment, boards should remain committed to thoughtful discussion and assessment of what types of learning environments and technologies foster student learning, whether online or in the classroom.

NEARLY A THIRD OF ALL FULL-TIME AND PART-time students at nonprofit and for-profit colleges and universities in America took one or more online courses last year, according to the Sloan Consortium, which has documented the rising enrollments in such courses since 2002. Other recent surveys suggest the growth in online education will only continue to be strong. Online learning has slowly but steadily re-emerged from the ashes of the over-hyped capabilities and unrealistic expectations of the dot.com era a decade ago.

Indeed, trustees and campus officials who remember the excitement of that previous era—specifically the hopes for the Internet and the promises of e-learning—may experience a strong sense of *déjà vu* while sitting through institutional strategy briefings that explore and explain opportunities for online courses and programs meant to extend the reach of an institution. The ecosystem that encompasses online-learning courses, programs, providers, and services now has many of the same characteristics that

were identified in Bank of America's 1999 report, "The eBang Theory," by Howard Block, which was credited with legitimizing e-learning:
- A market characterized by consistent double-digit growth:
- Pundits offering bold statements about the enabling technologies that will open new opportunities for previously unserved populations of learners; and
- Advocates reminding us that online education offers a

way to reach new learners, enter new markets, and generate new revenues.

Yet higher education has learned from the mistakes it made in the past. The dot.com-era confidence in the brave new world of e-learning blinded people to the investment required to master an emerging, immature market in a time of great technological volatility. Despite similar "gold rush" sensibilities about online learning and the enticing prospects for reaching new student populations and generating new revenue, today's campus conversations seem to reflect a new sense of purpose and pragmatism about the challenges as well as the opportunities of online education.

The previous experience of both institutional and dot.com ("dot.edu") shortfalls and disappointments has fostered a new understanding that launching and supporting effective online courses and programs involves more than simply migrating old course syllabi to the Internet. Successful, quality online education requires a major investment of resources to build the infrastructure—including faculty training, instructional services and personnel, and student services—to support those courses and programs.

Further, the catalyst for action is not the sense, as in the past, of "We can/should do this because we can—and before our competitors beat us to it." Rather, savvy board members and other campus leaders are first asking "Why?" and then asking thoughtful questions about who and how: "Who on campus will be responsible for this?" and "How will the institution and individual programs move forward?" They understand the value of developing both wisdom and pragmatism, and they are working to be well-versed about the opportunities, trends, and issues concerning online education.

## Emerging Opportunities

New data from the fall 2010 Managing Online Education Survey, sponsored by our two organizations, The Campus Computing Project and the WICHE Consortium for Educational Technology (WCET), point to robust growth in online programs at many institutions across the country. Fully half of the survey participants report that online enrollments at their institutions grew by more than 15 percent over the past three years, and two-fifths expect online enrollments to jump by more than another 15 percent over the next three years.

Several factors appear to be driving the increase in online enrollments. One major development is the advancement in learning-enabling technologies. Without question, the hardware, software, Internet access, connectivity, and learning-management capabilities have improved significantly over the past decade. In addition, in a social landscape defined and dominated by new digital experiences, the notion that one can complete meaningful, high-quality college experiences online is no longer a conceptual stretch for the average consumer—whether a student or parent.

Economic issues also play a role in the acceptance of online learning by students and employers. Both the 2010 Sloan Consortium survey and the Managing Online Education survey show that the need for new skills for the changing economy is a key impetus behind the growing demand for online courses and programs. While the slow economy has been a catalyst for enrollment growth in higher-education situations of all kinds and across all sectors, community colleges have experienced the biggest boom. Presidents of community colleges surveyed by the Campus Computing Project in 2009 and again in 2010 reported exploding demand for online courses.

Two additional factors appear to contribute to the new institutional opportunities for online learning. The first is the greater experience with online education that practitioners now bring to the conversation: Across all sectors, campus officials have a better understanding about the various costs required to develop and support online programs. They recognize that going online is not always easy and is not, by definition, always profitable. The second factor is the view held by many college leaders that online courses and programs may attract new students from previously underserved markets—which, by extension, may mean new sources of revenue for institutions reeling from budget cuts, reallocations, and roll-backs.

## 10 Trends to Watch

Taken together, data from the recent two surveys offer an interesting map of the evolving and expanding landscape of today's online education:

- *Enrollments continue to rise.* The Sloan surveys reveal that the number of students taking at least one online course grew from 1.6 million in fall 2002 to over 5.6 million in fall 2009. Almost all (94 percent) of the participants in our fall 2010 survey expect their college's online enrollments to increase between 2011 and 2013.
- *Many institutions are making money on online education, but others are uncertain if their programs are profitable.* Almost half (44 percent) of the participants in our Managing Online Education survey, typically the senior operating officer for an institution's online programs, said that their programs were profitable. In fact, more than 22 percent reported that profits—defined as total revenues minus all expenses—were better than 15 percent for the past academic year. Yet just as many of the respondents, 45 percent, reported that they did not know if their online programs were profitable this past academic year.
- *Organizational structures are often in transition.* More than 40 percent of the survey participants reported some restructuring of the organizational arrangements for their institution's online programs in the past two years, while 59 percent expect a reorganization in the next two years.  Moreover, 30 percent have restructured in the past two years and expect to do so again in the next two years. The catalysts for restructuring cited by the participants include budget issues (38 percent), a change in

institutional leadership (35 percent), new program leadership (29 percent), and campus efforts to centralize the management of online education (27 percent).

- **Internal issues and resources pose major barriers to program expansion.** Although it is common to cite external factors such as national or program accreditation requirements, state regulation, or federal financial-aid regulations as issues that impede program expansion, our survey data clearly indicate that internal issues—budget cuts, lack of key human resources like instructors and support personnel, and faculty resistance to teaching online—are the major impediments.

- **Quality metrics are often informal, while program assessment can be erratic and inconsistent.** The participants in our survey (online-education operating officers) and in the Sloan surveys (chief academic officers) generally reported that their institution's online programs are "as good" or "better" than educational programs on their campuses. Yet big questions remain about how institutions define and assess the quality of their online programs. For example, our survey data suggest that many institutions often do not use a common syllabus or assessment metrics for the same course—say, Widgets 101—offered both online and on the campus. The absence of common benchmarking data about online and campus programs remains a major challenge in determining program quality.

- **Colleges invest in training for faculty members who teach online.** Fully half of the campuses participating in our fall 2010 survey report mandatory training for faculty members who teach online. The training ranges between 17 and 60 hours, averaging 22 hours, which reflects a significant investment and commitment on the part of the institution and the instructor. That investment in training stands in stark contrast to the typical support offered to part-time, adjunct faculty members, who often receive little more than a previous syllabus, textbook, and campus map, and who are considered lucky to obtain a parking pass at their college or university.

- **Institutions are potentially vulnerable on Americans with Disabilities Act compliance issues.** The Managing Online Education survey reveals that many colleges and universities relegate compliance with ADA mandates about accessibility to the faculty members who develop online courses. Erratic and inconsistent compliance may leave many institutions vulnerable to formal complaints or legal action.

- **Who owns what will continue to raise thorny questions.** The determination of intellectual-property rights for elements of an online course can get messy. Colleges and universities engaged in online education typically provide significant support to help faculty members develop courses and content—far more so than for on-campus courses. When developing and approving institutional policies, the terms of engagement—who owns

what—should be explicit and fair to all parties.

- **What constitutes fair use will also require continuing attention.** The Technology, Education, and Copyright Harmonization (TEACH) Act of 2002 helped clarify the use of copyright-protected works in online distance-learning and course-management systems. But there continue to be inconsistencies between the current law and institutional policies about the use of digital media in networked settings. Boards should be mindful of aligning their college's policies with legal requirements for the fair use, publication, and distribution of digital media.

- **The federal government is taking a larger role.** Members of Congress are now asking very public questions about a variety of issues concerning online-education programs. Recent calls have emerged for programs and institutions to guarantee students' "gainful employment" before approving online programs for financial-aid eligibility. The Department of Education Inspector General has also begun auditing how institutions calculate the "last day of attendance" when a student drops an online course. In both those examples, concern for financial-aid transparency is eliciting closer attention to program accountability. Boards should expect fiduciary-oversight requirements for online programs to be tightened as those programs become more central to their institution's academic mission.
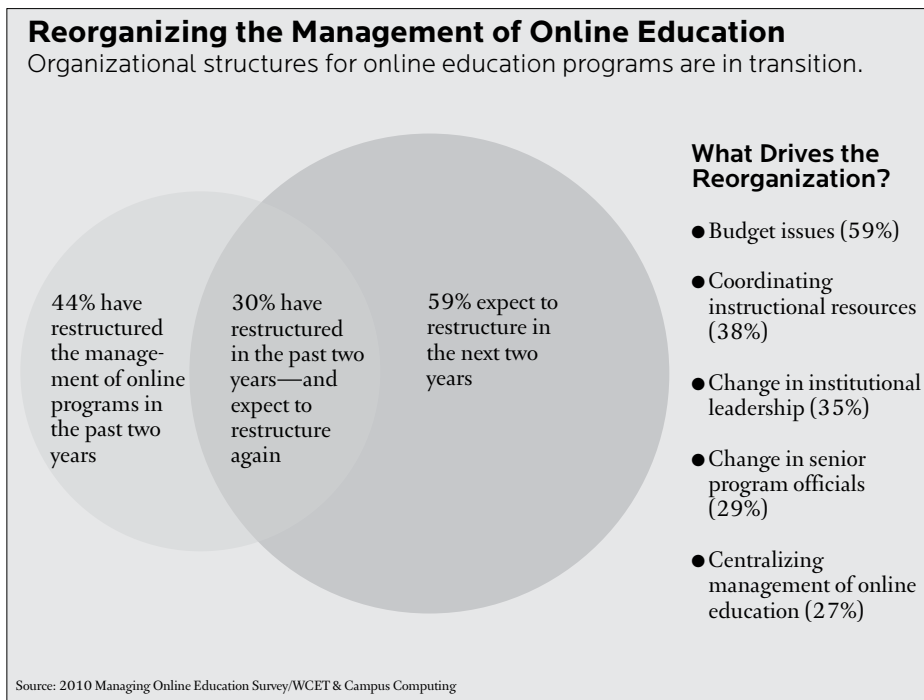
## Issues for Trustees

While the value of taking a college or university "online" may be obvious and self-evident, board members owe it to themselves and their institutions to question senior administrators about the value propositions that drive the desire to create or to expand online courses and programs. Trustees should ask:

- **Why are we online?** Is the movement to, or expansion of, online programs consistent with the institution's mission? Will it expand our services to our current key constituencies? Or is the goal primarily to enter new markets and generate new revenues? Do we have the business model that shows real opportunities as well as the actual barriers to entry?

- **What will it cost? And who is going to pay for it?** The first caveat of any and all technology-mediated learning projects is: Technology is not free. The second caveat is: Using technology for teaching at a distance does not always save money. While Internet technologies used in online learning allow institutions to reach more students than would be served on a campus alone, and may be less expensive per student contact hour when compared to face-to-face instruction, that does not mean that online courses cost little or nothing. In fact, online course design and development often involve significant start-up costs that include content creation and conversion, faculty training, and user support for students and professors.

Academic programs and institutions that plan to

develop an online presence would do well to engage in a full cost accounting to determine if online courses and programs can generate the revenues necessary to carry their own weight. How many students are likely candidates to be served through the addition of online offerings? How many more credit hours can the institution provide its constituencies by adding an online option?

- ***How do we support faculty members and students in our online programs?*** What skills do we expect students and faculty members to bring to the conversation? How much instructional and technical support for students and faculty members should our institution be expected to provide? What kinds of academic resources and student services will we need to encourage and enable academic achievement and learning success?

- ***What are the organizational arrangements for our online learning programs?*** Faculty and academic departments develop and offer online courses and programs, yet some institutions have separate administrative structures for their online initiatives. For example, 44 percent of the campuses in the Managing Online Education Survey identified chief information officers (CIOs) as the "operating officer" for online activities and initiatives. That is surprising because the CIO role is typically an operational function, even as online courses and programs are clearly academic functions. In short, it is appropriate for trustees to ask, in essence, "Who's the boss for our online programs?"

- ***How do we assess quality?*** What attributes, metrics, methods, and materials will adequately document the performance of each aspect and attribute of the rich mosaic of learning experiences that we want to provide for our constituencies? For example, is the institutional strategy for assessing online education similar to or different from the strategy for on-campus courses and programs? If Widgets 101 is taught both online and on the campus, is there a common syllabus and a common set of assessment metrics?

- ***Who owns the intellectual property of our online courses?*** Faculty members typically "own" their courses. However, campuses may contribute significant resources to help professors develop online courses. In those instances, college administrators may feel they have some

claim to the intellectual property. Board members should encourage them to clarify any intellectual-property issues sooner rather than later.

Trustees and campus administrators who are interested in developing or expanding online-learning initiatives will be well served to foster an online-learning culture that remains true to the same values that were defined when the institution was entirely an on-campus academic experience. In other words, it should make no difference to the graduates—or the people who hire them—how or where a degree from a particular institution may have been earned. What should matter above all is the quality of the educational experience represented by the degree.

That does not mean that complete comparability will exist between a fully campus-based experience and a fully online experience at the same institution. But it does mean that the quality of the academic program for all students at a particular institution needs to be consistent, reliable, and top-rate—regardless of how the experience is "packaged" or delivered.

In sum, the challenges ahead for higher-education leaders are to:

- Realize the broad array of possibilities that online learning offers without getting so carried away by potential opportunities and revenues that the original intent is lost;

- Recognize that going online involves a significant commitment of institutional resources and that the benefits—measured by reputational gains, new constituencies, new revenues—are not easy, quick, or assured; and

- Understand the need to determine and find the evidence

**Reorganizing the Management of Online Education**
Organizational structures for online education programs are in transition.

44% have restructured the management of online programs in the past two years

30% have restructured in the past two years—and expect to restructure again

59% expect to restructure in the next two years

**What Drives the Reorganization?**

- Budget issues (59%)

- Coordinating instructional resources (38%)

- Change in institutional leadership (35%)

- Change in senior program officials (29%)

- Centralizing management of online education (27%)

Source: 2010 Managing Online Education Survey/WCET & Campus Computing

that will validate the commitment in resources that the institution makes to online learning.

Finally, going online requires board members and other college leaders to commit to informed discussions about, and thoughtful assessments of, quality for education programs both online and on the campus. The continuing conversation about quality involves more than simply comparing the performance of students in online and on-campus courses. Ultimately, it must focus on *what* students learn, not *where* they learn, and what types of learning environments, technologies, and resources foster student learning. ■

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**T'SHIP LINK:** Diana Oblinger, "A Board's-Eye View of Online Education." September/October 2007.
**OTHER RESOURCES:** "Technology in Context: 10 Considerations for Governing Boards of Colleges and Universities" (AGB Press, 2010). The Campus Computing Project, www.campuscomputing.net.