Welcome to #WCETWebcast

March 21, 2017

• The webcast will begin shortly.
• There is no audio being broadcast at this time.
• An archive of this webcast will be available on the WCET website next week.
Price & Cost of Distance Learning

March 21
Welcome!

- *Use the question box for questions and information exchange.*
- *Archive, PowerPoint, and Resources available next week.*
- *PowerPoint can be downloaded in the handouts pane.*
- *Follow the Twitter feed: #WCETwebcast.*

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Assistant Director, Programs & Sponsorship  
WCET  

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@meraymond
Overview
Questions from the Audience

• *If you have a question during the presentation, please add your questions to the question box.*

• *We will monitor the question box and have time for Q&A in the last part of the webcast.*
Moderator

Russ Poulin

• Director, Policy and Analysis
• WCET
Presenters

Sally Johnstone
• President
• National Center for Higher Education Management Systems (NCHEMS)

Reed Scull
• Director, Outreach Credit Programs and Associate Dean, the Outreach School
• University of Wyoming

Terri Taylor Straut
• Senior Research Analyst
• WCET
Terri Taylor Straut

- Senior Research Analyst
- WCET
Definitions Used in the Survey

• "Price" - This is the amount of money that is charged to a student for instruction. The components are tuition and fees. In the questions, we will be clear as to which "price" component (tuition, fees, or total price) is being queried.

• "Cost" - This is the amount of money that is spent by the institution to create, offer, and support instruction.

• "Distance Education" - When thinking of “distance education," we favor the Babson Survey Research Group/Online Learning Consortium, formerly Sloan-C, definition of 80% or more of the course being taught at a distance.
Poll Question

Is the Total Price (Tuition and Fees) for distance education courses less, the same, or more than face-to-face courses at your institution?
Findings: There is Great Variability in Distance Ed Practice and Policies

Price Comparison of Tuition and Total Price for Face-to-Face and Distance Students

- Charged Less: 5.9% Tuition, 19.0% Total Price
- No Difference: 26.8% Total Price
- Charged More: 18.9% Tuition, 54.2% Total Price

75.1% Total Price (No Difference)
Poll Question

Do distance education courses cost less, the same, or more to produce than face-to-face courses at your institution?
Findings: Distance Courses Cost the Same or More

Cost Comparison of Face-to-Face and Distance Courses

- Cost Less: 0.0%
- No Difference: 57.1%
- Cost More: 42.9%
Distance Education Costs: Preparing the Course

<table>
<thead>
<tr>
<th>Category</th>
<th>Less</th>
<th>The Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation and state authorizations</td>
<td></td>
<td>49.4%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Technologies/software (LMS, SIS, teaching tools)</td>
<td>32.7%</td>
<td></td>
<td>67.3%</td>
</tr>
<tr>
<td>Admissions and enrollment, including student identity verification</td>
<td>2.4%</td>
<td>62.4%</td>
<td>35.2%</td>
</tr>
</tbody>
</table>
Distance Education Costs: Teaching the Course

Distance Education Costs Compared to Face-to-Face
Teaching the Course

<table>
<thead>
<tr>
<th>Activity</th>
<th>Less</th>
<th>The Same</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design course specifications</td>
<td>1.2%</td>
<td>45.8%</td>
<td>53.0%</td>
</tr>
<tr>
<td>Instructional design of course</td>
<td>1.2%</td>
<td>24.1%</td>
<td>74.7%</td>
</tr>
<tr>
<td>Create learning materials</td>
<td>2.4%</td>
<td>37.0%</td>
<td>60.6%</td>
</tr>
<tr>
<td>Select/obtain/purchase learning materials</td>
<td>3.0%</td>
<td>65.5%</td>
<td>31.5%</td>
</tr>
<tr>
<td>Assuring accessibility and ADA-compliance</td>
<td>1.2%</td>
<td>36.1%</td>
<td>62.7%</td>
</tr>
<tr>
<td>Delivery of course content by faculty/other means</td>
<td>5.4%</td>
<td>62.1%</td>
<td>32.5%</td>
</tr>
<tr>
<td>Facilitation of group activities</td>
<td>3.6%</td>
<td>70.5%</td>
<td>25.9%</td>
</tr>
</tbody>
</table>
Distance Education Costs: Assessing Student Learning
Distance Education Costs: Supporting Students and Faculty

Distance Education Costs Compared to Face-to-Face

- **Student orientation and training**
  - Less: 9.1%
  - The Same: 53.9%
  - More: 37.0%

- **Faculty training**
  - Less: 0.6%
  - The Same: 68.7%
  - More: 30.7%

- **Library and other distance learning resources**
  - Less: 3.0%
  - The Same: 62.5%
  - More: 34.5%

- **Tutoring and academic course assistance**
  - Less: 6.6%
  - The Same: 53.0%
  - More: 40.4%

- **Retention services**
  - Less: 5.4%
  - The Same: 69.9%
  - More: 24.7%

- **Help desk for technical support**
  - Less: 1.8%
  - The Same: 51.2%
  - More: 48.8%

- **Academic advising**
  - Less: 0.0%
  - The Same: 77.7%
  - More: 20.5%
Does distance education have to cost more?

Two points of view....
Reed Scull

• Director, Outreach Credit Programs and Associate Dean, the Outreach School
• University of Wyoming
Cost and Price at the University of Wyoming Outreach School

• Focus on:
  • Direct costs – tech staffing, LMS.
  • Indirect costs – instructional design, student services.
  • Reserve – maintenance, emergencies.

• Determined that:
  • About 45-50% of tuition was cost to deliver distance courses.
  • Estimate academic departments spent about 40% hiring instructors and 10% goes to overhead.
Cost and Price at the University of Wyoming Outreach School cont.

- Cost-Price issues increasingly controversial.
- Transparency and mutual understanding is key.
- What percentage of tuition is enough to incentivize academic program and faculty development?
Sally Johnstone

• President
• National Center for Higher Education Management Systems (NCHEMS)
Reed Scull

• Director, Outreach Credit Programs and Associate Dean, the Outreach School
• University of Wyoming
Wyoming Distance Education Funding Policy

• Wyoming community college funding model:
  • Accounts for differing instructional emphases across colleges.
  • Includes a weighting system for different kinds of courses.
  • Weighting allows for equitable (not equal) funding.
  • Only a portion of funding is weighted.
  • Distance ed courses now weighted at 80% of a F2F course.
Sally Johnstone

- President
- National Center for Higher Education Management Systems (NCHEMS)

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### Set Student-Level Variables

<table>
<thead>
<tr>
<th>Enrollments</th>
<th>Year one only</th>
<th>700</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year two only</td>
<td>760</td>
</tr>
<tr>
<td></td>
<td>Year three only</td>
<td>850</td>
</tr>
<tr>
<td>Courses per Academic Year</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

### Tuition & Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charge per Credit Hour</td>
<td>$92.00</td>
</tr>
<tr>
<td>Revenue per FTE</td>
<td>$2,410</td>
</tr>
<tr>
<td>Annualized Tuition Revenue</td>
<td>$1,722,000</td>
</tr>
<tr>
<td>State and Local Support (FTE)</td>
<td>$1,685</td>
</tr>
<tr>
<td>Total Staff Support</td>
<td>$1,179,500</td>
</tr>
<tr>
<td>Projected Tuition Annual Increase</td>
<td>2%</td>
</tr>
<tr>
<td>Total Annual Revenue in Year One</td>
<td>$2,901,500</td>
</tr>
</tbody>
</table>

### Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Annual Staffing Costs</td>
<td>$2,797,000</td>
</tr>
<tr>
<td>Projected Annual Benefits Costs</td>
<td>$556,210</td>
</tr>
<tr>
<td>Projected Annual Operations Cost</td>
<td>$79,400</td>
</tr>
<tr>
<td>Total Anticipated Annual Costs</td>
<td>$3,344,610</td>
</tr>
</tbody>
</table>

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### Input CBE Model Definitions

- Set Staff and Unit Costs
- Set Staff and Unit Ratios
- Set Course Design Costs
- Set Course Delivery Costs
- Set Enrollment Projection

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### Instructions

The CBE Cost Modeling tool is designed as a high-level introductory planning tool to assess the costs and revenues associated with CBE-related activities, including staffing decisions and resources for course design and delivery. This planning tool helps to illustrate many of the activity considerations in CBE.

To begin, users will need to select any existing data in the tool, and insert their own data throughout the model by selecting one of the buttons to left and filling out the cells. Definitions can be found within each chart of the tool.

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[Graph showing costs and revenue over years]
Course Design Costs are Independent of Enrollments

<table>
<thead>
<tr>
<th>Task</th>
<th>Staff / Input Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Design course specification</td>
<td>• Full-time faculty - Instructor, assistant professor, associate professor, full professor</td>
</tr>
<tr>
<td>• Develop learning materials</td>
<td>• Part-time faculty</td>
</tr>
<tr>
<td>• Select learning materials</td>
<td>• Administrator - Academic coach, instructional designer, institutional researcher, information technologist, dean/department chair, program administrator</td>
</tr>
<tr>
<td>• Data collection &amp; improvement</td>
<td>• Student</td>
</tr>
<tr>
<td>• Design/select assessment</td>
<td>• Non-staff – licenses, operating costs</td>
</tr>
</tbody>
</table>
Course Delivery Costs depend on Enrollments -- who does what?

- Academic assistance/tutoring
- Facilitation of student group activities
- Administer assessments
- Grade/evaluate assessments
- Monitor student engagement
- Intervention/referral for at-risk students
- Academic advising/coaching
- Technical support
- Program admissions/selection
- Orientation
- Recruitment
- Career counseling
- External certification
www.nchems.org
Questions from the Audience
Contact Information

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Additional Information and Resources

Access to the resources discussed during this webcast, including the archive, will be available next week.

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Salt Lake City, UT

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