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Information/Action Item

California Student Aid Commission

What should Cal Grants pay for in the coming era of distance learning?

> *[A]mong those who enter college, children from low-income families are much less likely to get a degree. Inequality in college persistence… produces inequality in college completion, even if college-entry rates were equal (which they are not).*
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> *** *** ***
>
> *[I]nequality by family income in postsecondary attainment has grown in recent decades. Even among those who had the same measured cognitive skills as teenagers, inequality in college entry and completion across income groups is greater today than it was two decades ago.*
>
> Martha J. Bailey and Susan M. Dynarski (2011) *Gains and Gaps: Changing Inequality in U.S. College Entry and Completion*[1]

This is the first in what we expect to be a series of public hearings to assist the California Student Aid Commission to meet its statutory responsibility of providing policy leadership on student financial aid issues in California higher education. Our perspective is straightforward: how can the Commission not only increase students' access to higher education, but also ensure that they achieve their education goals? How can we reduce the burden of tuition debt that students and their families are compelled to assume to meet ever increasing costs? *No less important*: how can the Commission substantiate for taxpayers that their funds result in student learning and achievement? Finally, a related and *fundamental issue*: what should Cal Grants pay for?

The information provided by participants in the public hearings – students, the higher education segments, state agencies, faculty, and other interested parties – will be essential to informing the Commission's consideration of policy recommendations to the Legislature and the Governor, and regulatory action, when appropriate, to enhance the Cal Grant Program for students and taxpayers.

This first public hearing will explore these issues in the context of distance learning.

The Legislative Analyst's Office report entitled "The Master Plan at 50: Using Distance Education to Increase College Access and Efficiency," issued in October 2010, provides useful background on the still-developing state of online learning in California. (See Tab 1.1.)

[1] Bailey, Martha J. and Dynarski, Susan M., (2011) "Gains and Gaps: Changing Inequality in U.S. College Entry and Completion." appearing as "Inequality in Postsecondary Education" in *Whither Opportunity? Rising Inequality and the Uncertain Life Chances of Low-Income Children*, The Russell Sage Foundation (2011), pp. 2, 12.

Below, we touch on a few issues of interest that may suggest areas to explore in discussions with the public hearing participants.

Distance learning may require significant support services for students and faculty to be effective for everyone.

There are open questions about the extent of the effectiveness of online education. As noted by the LAO, a 2009 report by the United States Department of Education concluded that students completing online classes learn more, on average, than those taking the same classes solely via in-person instruction, but this conclusion may be subject to qualification. The Community College Research Center at Teachers College, Columbia University (CCRC) reviewed the same studies considered by the federal report, set aside those that did not involve fully online courses, college students and college-length courses, and determined that the federal report's conclusion may apply to well-prepared students, but may not necessarily be generalized to low-income and underprepared college students. Indeed, CCRC found that focused research suggested that online education may undercut academic success and progression for low-income and underprepared students.[2]

CCRC came to similar conclusions in a later paper. In the context of research on community college students, CCRC stated:

> [I]t is difficult to judge whether students who complete online courses perform similarly to those who complete the equivalent course face-to-face. The evidence suggests, however, that colleges that are focused on improving student success should proceed cautiously in expanding online course offerings. Until more evidence is gathered, the results [of one of the studies reviewed] suggest that online coursework may not be optimal for less skilled students, but may instead be most useful to well-prepared students who need the flexibility of an online course to complete their program of study.[3]

The LAO's report also identifies another issue: national research reveals a gap between student retention rates in distance education/online learning and "on-ground" courses.[4] CCRC identified consistent results over a number of studies of postsecondary online education showing that online students tended to have course withdrawal rates estimated to be 10 to 15 percent higher than those of face-to-face students and that "tentative evidence suggests that taking online courses may discourage students from returning in subsequent semesters and moving on to subsequent courses in their program sequence."[5]

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[2] Jaggars, Shanna Smith & Bailey, Thomas (2010). *Effectiveness of Fully Online Courses for College Students: Response to a Department of Education Meta-Analysis.* New York, NY: Columbia University, Teachers College, Community College Research Center, pp. 11-12.
[3] Jaggars, Shanna Smith (2011). *Online Learning: Does It Help Low-Income and Underprepared Students?* (CCRC Working Paper, Assessment of Evidence Series). New York, NY: Columbia University, Teachers College, Community College Research Center (2011) at p. 18.
[4] California Legislative Analyst's Office. *The Master Plan at 50: Using Distance Education to Increase College Access and Efficiency* (October 2010), p. 12.
[5] Jaggars (2011) p. 9, 17.

A later CCRC study added support to these findings. Tracking 51,000 degree-seeking students who initially enrolled in the fall of 2004 in one of the State of Washington's 34 community or technical colleges, through spring 2009, CCRC stated:

> [T]he evidence regarding online courses [≥51% instruction provided online] was fairly clear. We found that students who participated in online courses had lower success rates on a variety of outcomes, even after controlling for a rich array of student characteristics, including prior academic performance and concurrent hours of employment. This pattern of results is quite similar to that observed across Virginia community colleges [citations omitted], indicating that student difficulties with online courses in community colleges are not confined to one state. [6]

Further, CCRC found that students who took online coursework in early terms were slightly but significantly more likely to drop out of school in later terms, and that students who took a higher proportion of coursework online were significantly less likely than other online students to earn an educational award or transfer to a four-year institution.[7]

CCRC recommended that Washington community colleges increase student online support services – which already included around-the-clock reference librarian support – to include mandatory, rather than optional, student online readiness assessments, a mandatory, rather than optional, tutorial on how to use the online course management system, expanded availability of online tutoring to serve the needs of students who did online coursework on weekends and evenings, and increased support for faculty development.

Accountability: How will students and taxpayers benefit from distance learning?

The CCRC recommendations for increased student support services and faculty development suggest that the potential benefits and detriments from distance learning should be carefully considered.

The presentation by Western Governors University (WGU) will demonstrate the complexity of distance learning analysis. The WGU online pedagogical model of "competency-based learning" differs from traditional higher education models, attracting supporters and dissenters. For example, the Academic Senate for California Community Colleges opposes efforts to create a partnership with WGU in California. As background, we have included an article from *Inside Higher Ed* generally describing the different perspectives of the WGU model. (See Tab 1.2.) [*Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles.]*

The WGU online model, however, charges a set tuition per semester, currently from a low of $2890 for business bachelor programs, teachers college programs and information technology degrees to a high of $4250 for a B.S. in Nursing. As described by the LAO, WGU established a partnership with the State of Indiana allowing students to use state financial aid at WGU even though it is located outside Indiana. Barring new

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[6] Xu, Di and Jaggars, Shanna Smith, (2011) *Online and Hybrid Course Enrollment and Performance in Washington State Community and Technical Colleges* (CCRC Working Paper No. 31) New York, NY: Columbia University, Teachers College, Community College Research Center, pp. 19-20.

[7] Xu and Jaggars (2011), p. 19.

legislation or an arrangement meeting current law, WGU would not qualify to be a Cal Grant institution because it is not a California institution; it has no physical California campus.

Other concepts go beyond the WGU pedagogical model and offer glimpses of possible future pathways for online higher education. For example, MIT recently announced an initiative for free online classes that will include the option, for a small cost, for students to be awarded certificates when they demonstrate their mastery of subjects, based on individual assessments of the students' work. Tab 1.3 includes the text of MIT's announcement and FAQs about the initiative, including a discussion of the potential for employers to recognize the certificates.

The policy director of an education think tank recently offered another provocative idea: to combat ever- increasing tuition and costs, take advantage of free online higher education resources to encourage nontraditional higher education competitors. The federal government would grant official recognition as higher education providers to organizations that would not have to be higher education institutions and would not have to be accredited. For example, an organization could use open educational resources – free online courses, videos, lectures, and syllabi – and add value through mentoring, designing course sequences, and assessing learning. The recognized organizations would be subject to strict price regulation, and would have to provide public information about how much their students learn. Once federally recognized, the organizations could accept students with federal financial aid funding, but would lose this funding if students were not learning sufficiently. Further, current higher education institutions would be required to accept any credits granted by these federally recognized organizations if the current institutions wanted to maintain their eligibility for the federal aid.[8] (See Tab 1.4.)

Exploration of these and other options may suggest ways to expand access to, affordability of, and success in higher education for students at lower cost to taxpayers. For example, could an initiative such as MIT's allow for greater higher education opportunities for students through the use of Cal Grant C awards, with a corresponding reduction in the need for the more expensive Cal Grant Entitlement A and B awards?

The lack of consensus about online pedagogical models and concepts also lends itself to consideration of accountability, an issue that transcends online learning: whether and how taxpayers and students can be assured that Cal Grant students learn and succeed. Higher education accreditation agencies are moving to adapt to the expansion of online learning, but there is a perspective, shared even by some accreditors, that appropriate oversight requires more than accreditation agencies. This suggests that it may be useful to examine whether enhanced state oversight is necessary or beneficial to improve accountability. Tab 1.5 includes an article from the *Chronicle of Higher Education* providing general background on accreditation of online learning.

This public hearing and those to follow are intended to provide the basis for the Commission's in-depth exploration of these and other financial aid issues.

Prepared by Keith Yamanaka, Chief Deputy Director

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[8] Kevin Carey, "A Radical Solution For America's Worsening College Tuition Bubble," *The New Republic*, January 10, 2012 at http://www.tnr.com/article/politics/99415/college-tuition-afford-higher-education

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Information/Action Item

California Student Aid Commission

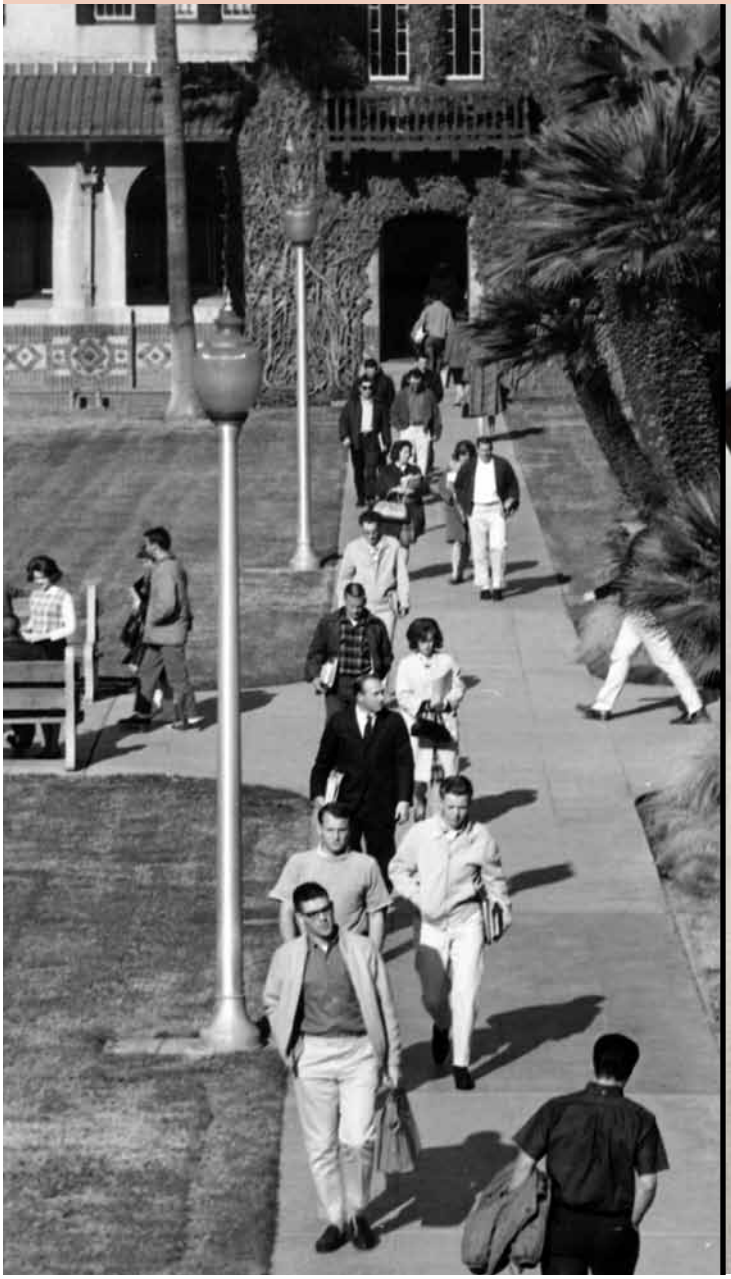
California Legislative Analyst's Office Report:

The Master Plan at 50: Using Distance Education to Increase College Access and Efficiency, October 25, 2010.

LAO

The Master Plan at 50: Using Distance Education to Increase College Access and Efficiency

MAC TAYLOR • LEGISLATIVE ANALYST • OCTOBER 25, 2010



EXECUTIVE SUMMARY

Distance Education Provides Additional Tool for Advancing* Master Plan's *Goals. Fifty years ago, California adopted the *Master Plan for Higher Education*, a framework document designed to promote universal access for students and cost-effective coordination among the state's colleges and universities. At the time, postsecondary education generally required students to travel to a campus for in-person classes with an instructor. Today, many students have another option: using technology (primarily the internet) to access instruction wherever they are. The California Community Colleges (CCC) are the largest provider of distance education among the state's public higher education segments, with the California State University (CSU) also offering a considerable amount of instruction using this delivery method. (Currently, the University of California [UC] system's use of the medium is limited, though UC is planning a pilot project that could eventually result in a much more extensive distance-education program.)

Distance education can offer a number of potential benefits to students, faculty, and the state—advantages consistent with the core principles of access and efficiency contained in the Master Plan. For example, distance education can:

- Make undergraduate and graduate coursework more accessible to students who otherwise might not be able to enroll due to restrictive personal or professional obligations.
- Provide opportunities for students attending one campus to find and get credit for courses at other campuses (thereby potentially speeding their graduation).
- Allow campuses to increase instruction and enrollment without a commensurate need for additional physical infrastructure (such as classrooms and parking structures).
- Make possible statewide collaborations, including "virtual" academic departments that are taught by faculty from more than one campus.

Recent research suggests that, on average, postsecondary students who complete distance-education courses learn at least as much as those taking the same courses solely via in-person instruction. Yet, research also reveals a gap in retention rates between students in distance education and face-to-face classes, and many faculty (particularly in the state's research universities) remain skeptical of the value and legitimacy of the delivery method.

LAO Recommendations. While distance education is not—and is not intended to be—suitable for everyone (students as well as faculty), we find that it offers an important alternative means of providing instruction that can complement existing formats and expand options for the state's students and segments. In order to take fuller advantage of this potential, we

believe that the Legislature should guide a clearer statewide vision that specifies data which the segments should collect and report on distance-education students, and which clarifies expectations concerning intercampus collaborations and other partnerships. To that end, we make a number of recommendations. These include:

- Adopting a standard definition of distance education for UC, CSU, and CCC, and requiring the segments to report periodically on student enrollment and performance in distance-education coursework.
- Establishing competitive statewide grants to develop a repository of online curricula that would be made available to faculty throughout the state.
- Requiring that reviews of proposals for new academic programs evaluate whether shared distance-education programs would be a better alternative.
- Directing the Chancellor's Offices of CSU and CCC to study the feasibility of developing online degree-completion programs for persons who started college but never obtained a degree.
- Creating a task force to pursue a public-private partnership with Western Governors University, a Utah-based nonprofit online university of which California is already a member.

Taken together, we believe that these recommendations would help the state make use of distance education in a more effective and coordinated way, thereby enhancing residents' access to a high-quality and cost-efficient higher education.

INTRODUCTION

Traditionally, almost all instruction in postsecondary institutions has taken place in a classroom. The most common forms of instruction involve a faculty member lecturing to, or leading a discussion among, a roomful of students on a college campus. In recent years, however, there has been a significant increase throughout the country in the amount of instruction conducted as "distance education." By this term, we mean instruction in which faculty and students are in separate locations and communicate using technology. Most distance education is delivered over the internet or with television.

In California, the main providers of distance education are private for-profit colleges and the CCC system, although the CSU system, like many other four-year institutions throughout the country, also offers considerable instruction using distance education. To date, UC's use of distance education is limited (though, as discussed later, UC has begun planning for a pilot project). Colleges cite several benefits of distance education for their students and institution. For example, by limiting the need to travel to a campus to attend a class, distance education can make instruction more accessible for various types of nontraditional college students—including working adults, parents and other caregivers, members of the military, and residents in remote areas of the state. Also, distance-education programs can allow colleges to increase substantially instruction and enrollment without the accompanying need for new facilities such as classrooms and parking lots. In addition, because distance education is particularly well suited for intercollegiate cooperation and collaboration, it can provide increased opportunities for students to find and get credit for taking courses at other campuses (thereby potentially speeding their graduation), and even for colleges to create comprehensive and cost-effective joint academic programs. These potential advantages—increased access, more efficient use of facilities, and enhanced coordination among campuses—are consistent with key principles adopted by the state 50 years ago in the *Master Plan for Higher Education*. (This publication is part of a series entitled *The Master Plan at 50* that discusses various aspects of the plan.)

At the same time, the growth of distance education has been a source of concern for some, particularly faculty at four-year universities (such as in the UC system). Many question, for instance, whether students can learn as much in distance-education courses as they do in a face-to-face environment. Others express continuing concerns about the degree to which colleges can ensure the academic integrity and honesty of students who complete a large share of coursework (including testing) outside the immediate supervision of an instructor.

The expansion of distance education and debates about its potential benefits make it an important issue for the Legislature and others to examine. To help facilitate such an examination, this report provides an overview of distance education—including its prevalence, data on learning outcomes, and funding—as well as recommendations to improve state oversight and overall program efficiency and effectiveness. While private institutions also use distance education, this report focuses primarily on the three state-funded higher education segments of CCC, CSU, and UC.

OVERVIEW OF DISTANCE EDUCATION

What Is Distance Education?

Distance education (also commonly referred to as "distance learning" or "e-learning") refers to courses in which students and faculty do not have to be in physical proximity to each other for instructional purposes, and communicate using technology (such as the internet or television). Distance-education courses can be either *synchronous*, meaning that faculty and students communicate with each other in real time, or *asynchronous*, in which a student can choose when to access lessons and send communications. For example, under synchronous distance education, a faculty member in one location (such as on the main campus) can use a monitor and microphone to see, hear, and instruct students who are joining the class "live" from off-campus sites. Asynchronous mediums include online course sessions that students can participate in at any hour of the day via a personal computer. (See the nearby text box for a fuller description of asynchronous instruction.)

There are various levels of distance-education courses at colleges. For example, a college might offer a course in which students do not have to appear on-campus for any class sessions, with all course content delivered via distance education. In contrast, other courses deliver a portion of content via distance education, but require students to attend class a limited number of times for face-to-face instruction (such as to perform laboratory experiments). This type of instruction is often referred to as *hybrid* (or *blended*) distance education. There also are courses that require students to attend all classes in person, but include an online component that allows students to check grades, turn in assignments, and participate in discussion groups. This latter group of courses, often called *technology-enhanced instruction*, is not considered distance education. Rather, educational entities usually set a threshold (such as 51 percent) for how much instruction must be delivered via television, the internet, or other modes during a given academic term in order to be considered distance education. As discussed later in this section, however, there is currently no consensus among distance-education researchers and providers about where to set that threshold.

Evolution of Distance Education. It can be said that distance education is both old and new. Distance education originated over a century ago in the form of "correspondence" classes, in which students and faculty communicated through the mail. Later, communication technology such as videocassettes and cable television expanded distance-education opportunities. It was not until the growth of the internet in the 1990s, however, that distance education experienced its tremendous growth.

Nationwide Trends. According to the Sloan Consortium, which studies national trends in online education, over 4.6 million students took at least one online class at their college or university in the fall of 2008. (This amount increases to about 5 million when all other types of distance education, such as television-based instruction, are included.) Sloan defines "online" courses as those with at least 80 percent of content delivered via the internet and no more than 20 percent of instruction provided via in-person classes. Sloan's estimate of 4.6 million students represents one-quarter of total enrollments in postsecondary institutions for that

time period. Moreover, enrollments in online courses have experienced double-digit growth in each year since the Sloan Consortium began its reporting in the fall of 2002. (During this same period, *total* enrollments in postsecondary institutions have grown an average of less than 2 percent annually.)

Distance Education at California's Community Colleges

As Figure 1 (see next page) shows, in just ten years, distance education at the community colleges has gone from a minor program to a relatively major one. In 1999-00, about 115,000 students in the CCC system took at least one

Taking an Asynchronous Online Class

Typically, students enrolled in a traditional on-site course must attend class at an assigned time and place, and spend class time listening to an instructor or participating in discussions with the instructor and other students. Given that asynchronous online courses are neither live nor in person, what is the "classroom" experience like for distance-education students?

While courses vary, online students may do the following:

- "Enter" the classroom by going to the campus website and providing a student identification number and password.
- Read the instructor's announcements on the classroom website, such as reminders about upcoming reading requirements and project deadlines. (While they can attend class any time of day and from anywhere with an internet connection, students are usually given a time frame—such as midnight at the end of each week—by which they must complete required assignments and examinations.)
- Access an audio or video presentation, or read a text-based lecture.
- Participate in instructor-facilitated discussions with classmates by typing comments and observations in an online forum (or "discussion board"). (Students' grades are often based in part on the frequency and quality of these "posts" about course material.)
- Take quizzes and examinations online (unless required by the instructor to be in person), and submit assignments (such as research papers) using a "drop box" located on the classroom website.
- For certain science classes, conduct experiments using an at-home laboratory kit. For speech and other classes, film one's self using a webcam and submit the videos electronically to the instructor.
- Access online support services, such as tutoring and academic counseling, and email the instructor with questions (or post on the classroom website).

class via distance education (out of a systemwide headcount of 2.5 million). By 2009-10, the total number of students in the CCC system had risen relatively modestly, to 2.8 million (an average annual growth rate of 1 percent). Yet, over the same period, the number of students taking a distance-education course had grown to over 600,000—an average annual growth rate of 19 percent. (The CCC system defines a course as distance education when more than 50 percent of content is delivered through the internet, television, or related delivery method—as opposed to the Sloan Consortium's threshold of 80 percent.) Despite a reduction in the number of overall CCC students between 2008-09 and 2009-10 due to budget cuts, the number of distance-education students increased.

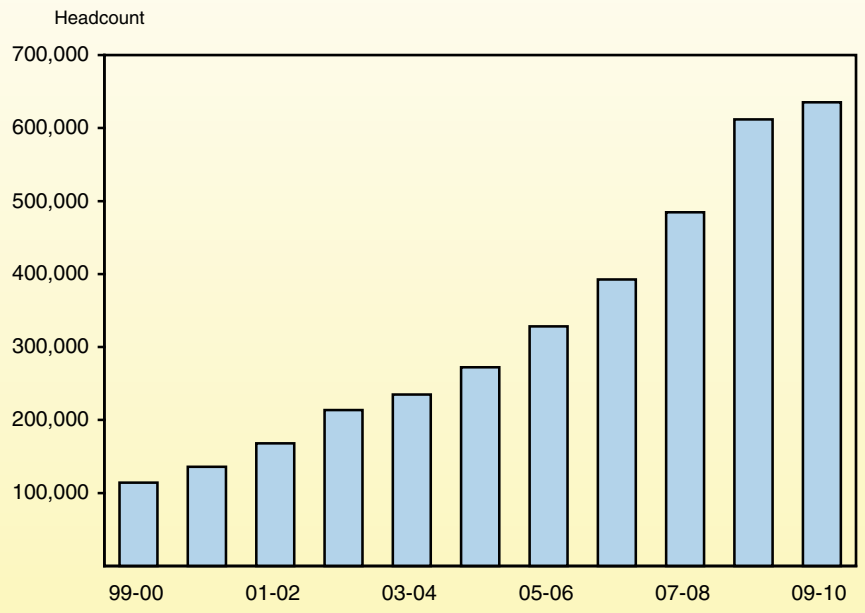
Distance-education coursework taken by these students in 2009-10 was the equivalent of 120,000 full-time equivalent (FTE) students, or about 10 percent of total credit FTE students served by the CCC system. This compares with just 1 percent of total credit FTE students in 1999-00. (One FTE represents a certain number of instructional hours provided to a student taking a full load of coursework during an academic year.)

As Figure 2 shows, about 85 percent of distance education is delivered via the internet. (The vast majority of this internet-based instruction is delivered asynchronously.) The second largest delivery method is through television. This latter category includes live and interactive "video-conferences" between faculty and students, and previously recorded lessons delivered to students through cable television, videotapes, and other means. Lesser-used delivery methods include instructional software programs and audiotapes.

Distance-education instruction is offered at virtually all of the CCC system's 112 colleges. The largest providers include Coastline College (Orange County), Palomar and Southwestern Colleges (San Diego County), Santa Monica College (Los Angeles County), and Foothill College (Santa Clara County). Coastline College, Barstow College (San Bernardino County), and Palo Verde College (Riverside County) serve over 40 percent of their students via the

Figure 1

Distance Education Has Grown Significantly at Community Colleges Over Past Decade



distance-education medium. Colleges offer instruction in many fields of study, with the largest volume in the social sciences (such as sociology and political science), business, English, mathematics, and computer/information technology. Some colleges offer students the opportunity to complete an entire academic program without taking any courses on-site. Coastline and Foothill Colleges, for example, offer over a dozen associate's degrees and certificates entirely via distance education.

Distance Education at California State University

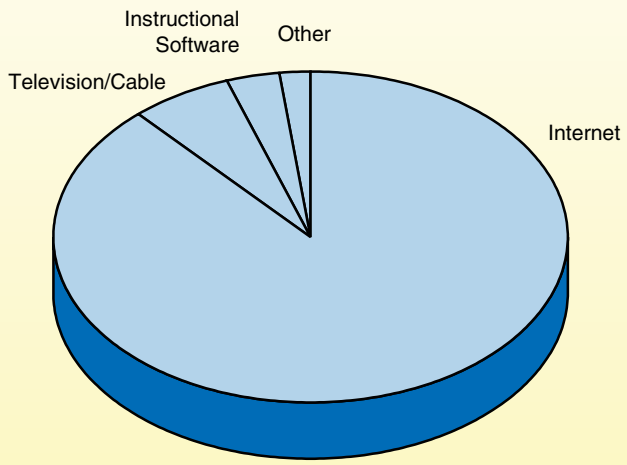
According to the Chancellor's Office, all of CSU's 23 colleges offer courses via distance education (generally online). Systemwide enrollment data, however, are unavailable. This is because, unlike CCC, the CSU Chancellor's Office does not collect this information from campuses. Colleges also do not share a standard definition of what constitutes a distance-education course. Based on our discussions with CSU staff, it appears that certain campuses have become relatively large providers of distance-education instruction. For example, CSU's East Bay, San Marcos, Chico, and San Diego campuses report that at least 10 percent of their students take at least one online course (generally defined as at least 50 percent course content delivered online).

According to the Chancellor's Office, most of these students appear to be undergraduates who take one or more distance-education courses as part of their degree requirements. The CSU does not offer any bachelor's degrees that can be obtained fully via distance education. Instead, the system offers 20 bachelor's degree completion programs, in which students can complete all upper-division requirements online or through other distance-education technology. In addition, graduate students can obtain a total of about 40 master's degrees and teaching credentials online.

Figure 2

Most Distance Education at the Community Colleges Is Delivered Via the Internet

2009-10



Pilot Project In the Works at UC

Currently, the UC system offers very little state-supported instruction via distance education. The UC

Office of the President estimates that there are between one dozen and two dozen online courses offered to students throughout the system. (The system does, however, offer many courses via distance education through its fully fee-supported extension program.) Historically, UC faculty (like faculty at many other research institutions) have been concerned about whether the quality of distance-education classes matches that of on-site instruction. Also, UC has traditionally maintained that an important part of a student's collegiate experience involves participation in on-campus activities (such as public symposia and performances)—extra-curricular activities that online students cannot readily attend.

At the same time, some faculty and staff in the system have promoted distance education as a possible means to deliver a high-quality education to eligible students who might not otherwise be able to attend UC. To address the issue about quality (as well as others such as faculty workload and cost), UC officials recently received support from the UC Regents and Academic Senate to introduce a pilot project within the next year or two. The plan is to pick 25 to 40 undergraduate general education and premajor courses and select interested faculty to design a fully online equivalent. These faculty members (as well as possibly other faculty in the system) would then teach the courses to students. Afterward, researchers would evaluate learning outcomes among students in these classes. Depending on the results and input from faculty, UC could move in a variety of directions, including:

- Offering online classes in highly specialized subjects, thereby allowing students at one campus to take advantage of faculty expertise at another.
- Offering online certain high-demand classes for which enrollment is otherwise difficult for students.
- Offering fully online degrees.

Intersegmental Collaboration

Distance-education programs are generally planned and operated at the segment and campus level. There are a few notable instances of distance education-related collaboratives among educational segments in the state, however, including:

- Since 1999, the state has funded the California Virtual Campus (CVC) as part of the CCC budget. The CVC administers an online catalog of courses that are offered via distance education at CCC, CSU, and UC, as well as by various private colleges and universities. The purpose of the catalog is to serve as a "one-stop shop" for students seeking to take classes outside their home campus (where the course might be full, offered at an inconvenient time, or not offered at all).
- The CCC budget also includes funding for the "@ ONE Project," which provides training (primarily online) to faculty on how to use technology more effectively in both distance education and classroom-based instruction. All services are available to faculty and staff in the three public higher education segments, as well as K-12.
- In 1997, CSU founded Multimedia Educational Resource for Learning and

Online Teaching (MERLOT). The program is a repository of free online course materials that are available to faculty both inside and outside of California. The MERLOT collection includes complete online course curricula (consisting of syllabi, audio and video lectures, assignments, and tests) that faculty may use in whole or in part for their own instructional purposes. Much of this material comes from faculty at institutions such as the Massachusetts Institute of Technology and Carnegie Mellon University, which, as "open courseware" universities, publicly publish their course curriculum online.

ASSESSING THE EFFECTIVENESS OF DISTANCE EDUCATION

As distance education has become more widespread, there has been an increased national focus by educators and policymakers on its value and legitimacy as an alternative instructional strategy. This section addresses several issues concerning distance education, including: (1) state law and other policies concerning expected standards for distance education, (2) national research on student learning outcomes, (3) student completion rates, (4) concerns about academic integrity and potential for fraud in distance-education courses, and (5) overall opinions of distance education by faculty.

Distance-Education Courses Subject to Same Standards as On-Site Counterparts. Currently, distance education is generally held to the same standards as traditional face-to-face courses. For example, state law expresses legislative intent that courses and educational programs provided through distance education contain the same "quality, course content, (student) achievement levels, and coherence of curriculum" as classroom instruction. Each segment has in turn adopted internal policies that conform to these principles. In addition, each segment's accreditation body holds distance-education courses to the same standards (quality, content, and rigor) as those delivered in-person.

National Research Suggests Similar Learning Outcomes for Online Courses. While colleges are required to adhere to the same standards of course quality regardless of the delivery mode, an important question remains: Can students learn as much in distance-education classes as they do in a face-to-face environment? Earlier national research on video-based courses found no significant differences in learning compared with traditional classroom instruction. (The research did identify more-favorable learning outcomes in "teleconference" classes—in which students and faculty can engage in live two-way interactions—as opposed to televised "broadcasts" with only one-way communication from an instructor to students.)

In 2009, the United States Department of Education released a comprehensive report on online learning. The report reviewed 46 previously published studies which compared online courses (including hybrid courses) with traditional classroom-only instruction. To ensure that the findings were broadly applicable, the studies

either randomly assigned students to face-to-face or online classes, or statistically controlled for differences between students in the groups (such as prior knowledge of course material). While the research included a handful of studies on K-12 students, it focused primarily on adult learners (undergraduates at two- and four-year colleges, graduate students, and professionals receiving occupational training). Based on a review of these studies, the report concluded that students completing online classes learn more, on average, than those taking the same classes solely via in-person instruction. In addition, students in courses that blend online and traditional classroom instruction tend to perform best of all. The study is careful to note, however, that superior learning outcomes may not be attributable to the online delivery method *per se*. Rather, the authors suggest that fully or partially online classes tend to give students more time to engage and reflect on course material (such as by repeating lectures and exercises), as well as additional opportunities to interact with faculty and collaborate with peers.

A recent paper by the Community College Research Center reexamined the studies in the federal report. The paper limited its evaluation to only those studies that compared fully online, semester-long classes with face-to-face instruction, and involved undergraduate and graduate students (thereby excluding research on hybrid instruction, any classes that were less than a semester in length, or involved K-12 students or professionals seeking job-related training). Based on its examination of these selected studies, the paper's authors argue that the evidence to date suggests that fully online classes are on average equal to—but no better than—face-to-face instruction for postsecondary students. The paper also cautioned that since the students in the studies appeared to be generally well-prepared for college-level coursework, such findings about online education may not necessarily be generalized to underprepared college students.

Retention a Challenge for Distance Education. While postsecondary students who complete online courses may learn at least as much as those in entirely on-site ones, other national research reveals a gap in student *retention rates* between distance education and on-ground courses. Based on our discussions with CCC and CSU staff, there appear to be several possible reasons for lower completion rates in distance-education courses. For instance, some students enroll in distance-education classes because they are under the impression that these classes are easier than on-campus classes. In fact, staff contend, it generally takes more discipline and self-motivation for students to succeed in a distance-education class—since they are typically not required to appear in an instructor-led classroom at an assigned time. Other students may find that a distance-education program is not a good fit because they feel a sense of isolation absent face-to-face interactions with instructors and fellow students. Campus staff also suggest that distance-education students may tend to have more personal and professional obligations (a reason why they may have opted to take such classes in the first place), which might cause them to drop the class at higher rates than others. In addition, many campuses cannot yet deliver the same quality of support services to online and offsite students as they do for students on-campus. For instance, while certain activities (such as access to library services) are widely available online, our review found that other

services that promote student success (such as tutoring and a support program for low-income CCC students) are often less readily available to off-campus students. This, too, may contribute to lower completion rates among students taking distance-education classes.

Colleges Lack Uniform Standards to Ensure Academic Integrity of Distance-Education Courses. Quality educational programs of *all* types require policies or controls that discourage and detect cheating and other forms of academic dishonesty. In recent years, there has been an increased focus on this issue as it relates to distance education. For example, how can institutions and potential employers know that someone taking a test online (and thus out of the instructor's line of sight) is the same student that is enrolled in and receiving credit for the class? While on-ground classes could have similar issues (a student in a large class may pay someone to take a final examination, for instance, and the instructor may not require students to show identification), there is a perception by some that academic fraud and dishonesty are more prevalent in distance-education programs.

In part as a response to these concerns, Congress passed the Higher Education Opportunity Act in 2008. Among the provisions contained in the legislation was a requirement that colleges establish policies and processes ensuring that "the student who registers in a distance-education course or program is the same student who participates in and completes the program and receives the academic credit." As the bill was being drafted, many higher-education officials expressed concern that the language would require institutions to put into place costly student-authentification systems. To address these concerns, Congress added language stating its intent that, for the time being, institutions only require students to provide a user name and password when logging into an online class. The clarifying language also included an expectation that institutions consider the use of other "identification technologies" (such as cameras attached to students' computers) as they become "less expensive and more mainstream."

Our review of CCC and CSU found a lack of uniform standards with regard to student verification in distance-education courses—though it should be noted that there is no uniformity for on-campus courses, either. Policies for classes vary from campus to campus, and even instructor to instructor. For example, in some cases, instructors require students in online classes to take at least one examination in person. More typically, students are able to complete all of their coursework requirements outside the line of sight of college staff.

Many Faculty Members Remain Skeptical of Distance Education. While distance education is more pervasive than ever, many higher education faculty remain wary of the medium. This is particularly true for faculty at four-year institutions. For example, a 2009 survey conducted by the Sloan Consortium found that 44 percent of chief academic officers at two-year colleges agreed with the statement that "faculty at my school accept the value and legitimacy of online education" (with an additional 44 percent responding "neutral"). This compares with just 11 percent at four-year institutions (with another 56 percent responding neutral). A 2009 survey of faculty opinions by the Association of Public and Land-Grant Universities provides additional details on faculty viewpoints at four-year institutions.

For example, over 80 percent of respondents who have never taught an online class believe that the learning outcomes of online courses are "inferior" or "somewhat inferior" compared with those delivered in-person. In addition, almost one-half of faculty who *have* taught online feel that learning outcomes are inferior or somewhat inferior to classroom-based instruction. Yet, the majority of those who feel that online learning outcomes are somewhat inferior have nevertheless recommended them to students as a way to complete needed coursework.

While we are unaware of any comparable survey of UC, CSU, and CCC faculty, based on our discussions with faculty and administrators, there appears to be a wide range of viewpoints about distance education among segments and across certain campuses. Concerns among some faculty (particularly at UC) are likely to persist until segments can better gauge how the instructional medium affects students' learning experiences, as well as other issues such as academic fraud.

FUNDING AND COSTS OF DISTANCE EDUCATION

How Are Distance-Education Courses Funded?

As with on-site classes, UC, CSU, and CCC campuses receive funding for distance-education instruction based primarily on the number of FTE students that they serve. The per-FTE student funding rate, which differs by segment, is not affected by delivery method. Traditionally, one FTE student represents a certain number of classroom (contact) hours provided to a student taking a full load of coursework during an academic year. This is a convenient workload measure for classes in which faculty and students have regularly scheduled meeting times (such as face-to-face lectures and live teleconferencing). With asynchronous online classes, however, there is no set number of hours for instructors and students to interact. (In fact, faculty and students might never appear online at the same time.) To accommodate this unique feature of distance education, the segments have modified their enrollment-calculation methods to take into account the total amount of time that students are expected to spend on their coursework—as opposed to simply in-class "seat" time. This approach converts these hours into credit units, which produces a comparable number of FTE students for purposes of calculating enrollment funding. (Please see the nearby box for more detail.)

Fiscal Impact on Students

From a student's perspective, taking classes via distance education can cost less than attending on-site. For example, students who otherwise would have to travel to campus for instruction save money on transportation and parking costs. Students with a family may be able to avoid child care costs by taking classes from home. (Of course, these savings could be offset by additional costs—such as for a computer and home internet access—to the extent students would not have otherwise made these purchases had they taken face-to-face courses.) Community college fees are the same (currently $26 per unit) for both distance education and on-site classes. Fees for distance-education classes at CSU are generally the same as their on-campus

counterparts, with a few exceptions at select campuses charging more for distance education.

Fiscal Impact on Campuses

How does the cost of providing distance education compare with providing instruction in the traditional classroom environment? Our review suggests, in addition to the primary benefit of improved access, there are potential savings to using distance education.

There are numerous cost drivers of instruction. As discussed below, *net* costs for distance education may be lower than site-based instruction, due in large part to savings on physical plant-related expenditures. In addition, distance education creates opportunities for campuses to collaborate on the design and delivery of instruction—with potentially significant cost savings.

Instructional Costs Similar. Some costs are no different for distance education and on-site courses. For example, CCC and CSU campuses that offer both delivery methods report that instructional costs are comparable. Given similar workload levels, campuses generally use the same student-to-faculty ratios for both methods. In addition, CCC and CSU use a similar proportion of full- and part-time faculty to teach both types of classes. (This is not the policy at all systems. For example, Rio Salado Community College in Arizona generates significant cost savings relative to other community colleges in its district by using part-time faculty almost exclusively to teach online classes.)

Technology-Related Costs. Video- and internet-based courses often impose a number of one-time and ongoing costs for technology. Examples of these costs include software and equipment, as well as technical support for faculty to design and teach online courses. In the past, such costs were often considered supplementary to campuses' traditional instructional expenses. Increasingly, however, campuses are equipping brick-and-mortar classrooms with audiovisual and computer technology (so-called "smart" classrooms), and many face-to-face classes include an internet component (which enables students to play back classroom

How Campuses Compute Full-Time Equivalent (FTE) Students for Distance Education

The University of California (UC) and California State University (CSU) define one FTE undergraduate student as 30 semester units of credit. Like most higher education systems in the country, one semester unit for a typical course represents one hour per week of classroom time, plus an expectation of two hours per week of outside-class time (such as reading course material and writing papers)—for a total of three hours per week of student workload for the semester. For a distance-education class without traditional classroom time, UC and CSU assign one semester unit of credit to a course that expects a total of three hours per week of effort by students (without differentiating between time spent inside and outside the classroom). The California Community College system employs a similar method of converting classroom hours into units and FTE students.

lectures, submit homework electronically, and participate in online discussions with classmates). As a result, the difference in technology costs incurred by online and face-to-face courses has diminished considerably. We do not believe it to be a major consideration for comparisons of the cost-effectiveness of these modes of instruction.

Facilities-Related Savings. Several higher education systems report that distance education can provide an overall net savings relative to site-based instruction through lower facilities-related costs. This includes operational costs such as utilities and building maintenance, as well as long-term savings on capital outlay. By educating online those students who would have otherwise attended class in-person, for example, colleges can reduce the need to build new infrastructure such as classrooms and parking lots. Research at the University of Texas found that lower infrastructure-related costs resulted in average per-unit savings of $90 a year for the delivery of online instruction relative to campus-based instruction—or roughly $2,500 per FTE student in general operating, bond, and other funding sources. A 2009 report to the Board of Trustees by CSU East Bay suggests a comparable level of savings from distance education.

Savings Through Collaboration. In additional to generating savings by decreasing the need for physical space on campus, there are significant opportunities for higher education systems to reduce instructional costs through collaboration and partnerships. For example:

- Community colleges and universities in British Columbia operate a collaborative whereby online courses are developed by various faculties (often the top scholars in their respective fields) through a request-for-proposal process funded by the government. Course materials (including the syllabus, assignments, and tests) are then made available to other instructors throughout the system to use. By consolidating the design of courses and promoting the sharing of materials, investment in development can be leveraged many times over and instructors' time can be freed up to focus on other priorities.

- The Washington State Community and Technical Colleges recently received a grant from the Gates Foundation to develop an open course library. Under the grant's terms, system faculty are selected via a competitive process to convert 81 of the system's most commonly offered on-campus courses (transfer-level as well as precollegiate) to material that can be accessed online. When completed, faculty both inside and outside the system will have free access to this content for fully online, hybrid, or "technology-enhanced" classroom instruction. The grant also includes a condition that system faculty assign course materials that cost no more than $30 per student. To do that, faculty might choose course textbooks and other materials that are available for free on the internet (commonly referred to as "open content"), or they might choose inexpensive published materials. The intent of this requirement is to improve student retention by keeping student costs low.

- Several higher education systems have created efficiencies by forming partnerships that share instructional responsibilities in a given field among campuses.

For instance, eight of the University of Texas campuses participate in a joint online master's of business administration program. Under the partnership, each campus' business department provides two of the degree program's courses (such as marketing and accounting). In so doing, the state avoids having to support a comprehensive array of business faculty at each of the system's campuses.

- The Great Plains Interactive Distance Education Alliance is an interstate consortium of 14 public research universities that offers graduate certificates, master's degrees, and some undergraduate courses in a number of academic fields. The online programs are structured to facilitate access to postsecondary education in fields where no single university could cost-effectively administer a program alone. Students are admitted to and graduate from a "home" university and take courses from several of the participating institutions.

- The state of Indiana recently formed a partnership with the Western Governors University (WGU). The WGU is a fully accredited (national as well as regional), nonprofit, online private university (based in Utah) that was founded by the governors of 19 western states in the 1990s. (California joined at a later date.) Under the agreement, WGU will operate a branch in Indiana called "WGU Indiana." Indiana also enacted a new law allowing state residents to apply state financial-aid grants toward attendance at WGU (even though the university is technically located out of state). The state will not provide any base funding for the university's operational costs, as they are fully covered by tuition revenue. (Tuition for a full academic year costs about $6,000 for most undergraduate and graduate degrees.) The goal of Indiana's collaboration with WGU is to increase the number of graduates—particularly for nontraditional students—with minimal cost to the state.

DISTANCE EDUCATION IN CALIFORNIA: WHERE TO GO FROM HERE?

Fifty years ago, California faced an impending surge in the number of students seeking a college degree. In response, state policymakers adopted a framework for higher education based on core principles such as universal access, high-quality instruction, and cost containment. To mitigate costs, the Master Plan stressed strategies such as "better utilization of physical facilities" and the need for planning and coordination to prevent "unnecessary duplication" by institutions. As we have discussed in reports over the past year on the Master Plan, the state today is facing a different challenge: how to boost enrollment and completions to address a projected shortage of college-educated residents. Yet, the same general goal and principles—the need to maximize education opportunities given limited resources—remains the same. And while the Master Plan was written in the context of traditional classroom-based

education, the emergence of new tools for the delivery of instruction also can be applied in support of the state's higher education objectives.

Distance education is not—and is not intended to be—suitable for everyone (students as well as faculty). Yet, as illustrated in the above analysis, it offers an important and growing means of delivering education that can complement existing formats and expand options for students. We expect in coming years that a large majority of students will receive at least a portion of their postsecondary education through distance education. For some, it may be a hybrid course or program that combines face-to-face instruction with online lessons, assignments, and discussion sessions. Others may take a few fully online courses (including some taught by faculty at other campuses) that fit into their work and personal schedule. A growing number of students with time and place restrictions will have access to fully online degree programs.

Like other aspects of higher education, the Legislature has generally allowed the segments and individual campuses to develop their own policies concerning distance education. For instance, the Legislature has allowed educational providers to adopt their own definitions of the medium. Yet, given the growth and potential of distance education, we believe that it is both appropriate and desirable for the Legislature to provide more guidance on a statewide vision for distance education, including expectations concerning the segments' use of public resources for the program.

Due to its nature, distance education can offer advantages to students, faculty, and the state that are not readily attainable with a campus-based educational model. In order to take full advantage of this potential, however, campuses must collect better data on distance-education students. In addition, campuses must collaborate more with each other. While there are a few examples of such partnerships, we believe that there is significant room for better coordination and integration. To move in this direction, this section puts forward several issues for legislative consideration. The intent of these recommendations is to increase the overall effectiveness and efficiency of instruction in the state by improving distance-education accountability, planning, and coordination. Figure 3 summarizes our recommendations.

Common Definition of Distance Education Needed

We recommend that the Legislature adopt a standard definition of distance education for segmental reporting purposes.

As discussed earlier, about 10 percent of instruction in the CCC system is currently delivered via distance education. The CCC system classifies a course as distance education if over one-half of instructional content is delivered when faculty and students are not in the same physical place. By contrast, CSU does not employ a standard definition. For example, one campus may use 50 percent as the threshold, while another may use a different percentage. As a result, CSU is not able to determine the total number of students (headcount and FTE student) enrolled in online or video-based courses. This makes it impossible for the Legislature and segment to measure workload and track enrollment trends. To make cross-segmental comparisons possible, we recommend that the Legislature adopt a standard definition of distance education. We think the 50 percent

standard already used by CCC makes sense for this purpose.

Report on Distance-Education Student Enrollment and Outcomes

We recommend that the Legislature require all segments to report periodically on enrollment and performance-related data pertaining to distance education.

Every two years, the CCC Board of Governors requires the Chancellor's Office to submit a report on distance-education programs in the system. These reports include information such as the number of students enrolled in distance-education classes and student completion rates. Currently, neither the CSU nor UC system compiles a comparable report. In order to improve state oversight of distance education, we recommend that the Legislature require all segments to submit periodic (such as biennial) reports containing workload and key performance data such as:

- The number of students served via distance education at each campus, broken out by delivery method.
- Course completion rates of those students.
- Program completion rates for fully online degree programs.

It would be useful to have the segments break out student enrollment and outcomes-related data by demographics such as age, gender, and ethnicity.

Build on State's Existing Foundation to Expand Distance-Education Collaboration

We recommend that the Legislature consider a number of opportunities to integrate distance-education efforts in ways that enhance students' access to instruction and create institutional efficiencies, including (1) streamlining educational pathways for online students, (2) promoting the sharing of curriculum across

Figure 3

Summary of LAO Recommendations

- ✓ Adopt a standard definition of distance education for the state's three public higher education segments.
- ✓ Require the segments to report periodically on student enrollment and performance in distance-education courses.
- ✓ Require the California Virtual Campus and California State University (CSU) to provide status reports on implementation of a planned online transfer pathways project.
- ✓ Establish competitive grants to develop a repository of online course-work that would be made available to faculty throughout the state.
- ✓ Require the review of new programs to consider the possibility of the shared distance education programs instead.
- ✓ Require the Chancellor's Offices of CSU and the community colleges to study the feasibility of establishing an online degree-completion program for state residents who started college but never obtained a degree.
- ✓ Create a task force to pursue development of a Western Governors University "virtual campus" in California.

campuses and (3) encouraging collaborative academic programs.

Streamline Pathways for Online Students. As discussed earlier, the state funds an online catalog of distance-education courses offered by the three public higher education segments (as well as some private colleges). While CVC can be helpful, its utility is limited. For example, a community college student who identifies a course of interest at another college in the system has to go to that college's website, complete an application form, receive a new student identification number and password, and register for the class. Students also are responsible for transferring credits earned from the course back to the home campus (typically by petitioning an academic counselor). Community college students interested in transferring to an online program at CSU face even more difficulties, as they must navigate among CSU's degree requirements, the state's intersegmental repository of transfer agreements, CVC's online catalog, and potentially numerous campus registration websites.

A more convenient system would allow students to plan their education using a single website, enroll directly in classes they need, and immediately determine whether the course is accepted for credit at the home campus. A new joint project involving CSU East Bay, CVC, and several community colleges in the San Francisco Bay Area could improve this process for students who are attending college online. Initially, this project—the California Online Program Planner—will allow transfer-seeking CCC students to select an online program at CSU East Bay and identify (1) what courses they will need to earn the degree (lower-division courses at CCC and upper-division courses at CSU) and (2) participating pilot campuses where transferable courses are offered (and whether there is an available seat). In the second phase of project implementation, students would be able to register for these courses from one website (using the same identification number and password) and "check off" their academic progress against degree requirements as they successfully complete their courses. The intent is to eventually expand beyond the handful of participants in the pilot project and include other CCC and CSU campuses throughout the state.

The CVC estimates an approximately 18-month time frame for the first phase of the project, followed by a two-year implementation period for the second phase. As this project is still in the planning stages, we recommend that the Legislature require CVC and CSU to provide periodic reports on their progress.

Facilitate Sharing of Online Curriculum Across Campuses. Traditionally, faculty that develop curriculum for face-to-face courses do not share it with faculty at other campuses. Generally, we found that this practice has carried over to courses developed for distance education at the segments—despite the relative ease with which online coursework can be made available to colleagues. Notably, while CSU heads MERLOT (and the CCC system is a partner), faculty from these two segments generally borrow from—rather than contribute to—the collection of online presentations, assignments, tests, and other learning material. This lack of sharing across campuses and segments has several disadvantages, including duplicative spending of state resources (courses can cost tens of thousands of dollars each to develop) and forgone opportunities to share thoughtful coursework with other educators.

A more cost-effective approach would be for faculty to make their content available to colleagues for reuse. To facilitate sharing, we recommend that the Legislature earmark a small portion of each segment's existing funding for the development of distance-education courses. The funds would be awarded to faculty on a competitive basis to either design new or modify existing coursework. To assure quality, the course would be reviewed by other faculty in the field. As a condition of receiving the grant monies, faculty would agree to make the learning materials available on MERLOT. (The intellectual property rights would remain with the original developer.) These materials would be available to all of the state's educational segments—including K-12 faculty, who may wish to adapt the coursework for their advanced-placement or precollegiate courses—for use in online, hybrid, or technology-enhanced classroom instruction.

Foster Collaborative Academic Programs. Just as students are able to participate in coursework regardless of their location, distance-education technology makes it feasible for faculty members from various campuses to co-develop and administer collaborative programs. Educational systems such as the University of Texas have combined faculty and students across multiple colleges (both within and outside the segment) to form "virtual departments." In so doing, states can offer more cost-effective and comprehensive instructional programs than they might otherwise be able to absent the partnership. This can be particularly true for more-specialized degree programs with relatively low enrollments at individual campuses. By aggregating geographically separated students, for example, campuses can ensure classroom-size efficiency, while connecting students to a potentially larger network of faculty expertise.

We think that there are actions the state can take to foster such collaborative programs. For example, as discussed in our December 2009 report, *The Master Plan at 50: Improving State Oversight of Academic Expansions*, state law provides the California Postsecondary Education Commission (CPEC) the authority to review segments' proposals for new programs and make recommendations regarding those proposals to the Legislature and Governor. The CPEC uses several program review criteria (such as student demand and societal needs) to evaluate the merits of the proposals. In our 2009 report, we suggested that CPEC also consider the extent to which there are alternatives that could achieve the proposal's goals more efficiently or at a lower cost. We believe that this consideration should include an evaluation by CPEC regarding the potential to use shared programs whenever campuses propose new degree programs. Adopting this criterion would compel the segments to consider alternatives that use distance education to collaborate with other campuses.

Consider Online Degree Completion Program Targeted at Re-Entry Students

We recommend the Legislature direct CCC and CSU to study the feasibility of developing an online degree completion program aimed at state residents who started college but never obtained a degree.

According to the Lumina Foundation, there are approximately 42 million people in the country who enrolled in a four-year college

at one time, obtained some credits, but never graduated. California's share of this total is roughly 5 million. (It is likely that there are a few million more persons who attempted but never completed a CCC associate's degree.) While it is likely that many former students would benefit from completion of their studies, other obligations (personal and professional) often make it difficult for them to go back to school in a traditional campus-based program. A more viable alternative to attending college in-person may be to take classes online.

Texas Program Model. Acknowledging this need and opportunity in Texas, the University of Texas system is scheduled to launch a "Bachelor's Accelerated Completion" (BAC) program beginning in the fall 2011. The program is designed for re-entry students who have already completed approximately 60 units of college credit (equivalent to the first two years of a four year degree). Potential students apply to a BAC degree program at one of three campuses. Campus advisors identify the courses that students must take to complete their bachelor's degree. Courses in the program will be fully online, taught in compressed seven- to eight-week terms, and use faculty from multiple campuses.

Study Feasibility of Similar Program in California. We believe that there is potential for such a targeted degree-completion program in California. We recommend that the Legislature direct CSU and CCC to study the feasibility of designing a similar program at their respective segments, and report to the Legislature on their findings.

Create Task Force on "WGU California"

We recommend the formation of a joint legislative-executive task force to pursue development of a model along the lines of Indiana's recently announced partnership with WGU.

Indiana's New Partnership With WGU. As discussed earlier, Indiana recently established a partnership with WGU that is designed to raise residents' awareness of and access to the nonprofit online university. Under the agreement, Utah-based WGU governs the new branch through its existing board of trustees, with guidance from an advisory board of Indiana officials and other prominent leaders from the state. Financially needy WGU Indiana students can use state grants to offset tuition costs. Indiana does not contribute any additional state funds in support of the university. Like other WGU students, incoming WGU Indiana students with previous college experience can transfer approved credits toward a degree. (The WGU currently offers bachelor's and master's degrees in teacher education, business, information technology, and health care.) Additional credits are awarded based not on "seat time," but rather on students' ability to demonstrate mastery of core competencies (as developed by WGU faculty in consultation with business and industry representatives). This approach allows advanced students to complete their program in an accelerated manner.

Recommend State Task Force. Currently, about 1,900 Californians attend WGU out of a total nationwide enrollment of about 20,000. Officials at WGU note that while the virtual university has room to accommodate more students, there is a general lack of awareness among the public about the institution. In addition, we note that there is a disincentive for financially needy residents to enroll at WGU because state law limits students' use of state

financial aid (the Cal Grant) to in-state colleges.

We believe that, as a member of WGU, the state would benefit by more fully leveraging WGU to educate residents (particularly working adults) in need of affordable and flexible postsecondary options. Based on our review, the WGU Indiana model seems suitable for California. Recognizing the need to lay the appropriate groundwork for such an endeavor, we recommend the creation of a task force composed of legislative representatives and members of the administration. The task force would be charged with identifying the steps that need to be taken to establish a WGU California. After concluding its analysis, we recommend the task force report its findings and recommendations to the relevant policy and budget committees of the Legislature.

CONCLUSION

In this report, we have discussed nationwide research and trends pertaining to distance education, and provided an overview of the delivery method in California's three public postsecondary systems. Generally, we find that distance education can serve an important supplementary role alongside traditional classroom instruction. In addition, we find that there are several opportunities for the Legislature to provide direction and guidance so that higher education can make use of distance education in a more coordinated and strategic way. Doing so could further enhance students' access to high-quality postsecondary studies, as well as create statewide efficiencies.

LAO Publications

This report was prepared by Paul Steenhausen, and reviewed by Steve Boilard. The Legislative Analyst's Office (LAO) is a nonpartisan office which provides fiscal and policy information and advice to the Legislature.

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Cover black and white photo, San Jose State College Quad, 1963. Used with permission. SJSU University Archives Collection, Courtesy of Special Collections & Archives, San Jose State University.

1.2

Information/Action Item

California Student Aid Commission

Kolowich, Steve (2011, May 9). Model of the Moment. *Inside Higher Ed.*

Retrieved from
http://www.insidehighered.com/news/2011/05/09/western_governors_university_and_online_competency_based_learning_model_gain_traction

Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles.

Tab 1.2

Print

(http://www.insidehighered.com)

Model of the Moment [1]

Submitted by Steve Kolowich [2] on May 9, 2011 - 3:00am

The terms “outsourcing” and “workforce development” are rarely allies in Rust Belt states like Indiana, where the loss of manufacturing jobs has driven an increase in demand for postsecondary degrees that point to vocations that will not soon be exported overseas.

But Indiana’s leaders have embraced an outsourcing solution to the state's outsourcing problem. In the aftermath of 2008's financial bloodbath, Indiana was facing a challenge shared by many state governments. The state needed to gut its budget while simultaneously increasing capacity at public universities, especially for adult learners who needed training for new or better jobs. Gov. Mitch Daniels decided that, instead of paying to expand online programs at its existing state institutions, Indiana would contract with a private university outside its borders. In lean times, it would boost workforce development by outsourcing part of its higher education system.

Enter Western Governors University [3], a private, nonprofit, regionally accredited institution headquartered in Salt Lake City, Utah. Founded in 1997 with seed money from the governors of 18 western states, Western Governors had been, until recently, a sleeping giant. But last June, Daniels signed an executive order [4] bringing Western Governors into the fold as Indiana’s “eighth state university.” Under the deal [5], Western Governors would create WGU Indiana [6]: a locally branded (yet still remote, save a satellite office in Indianapolis) version of the university, to which Hoosiers could take their state financial aid dollars just as they would to Indiana's other institutions. In late April, Washington State's legislature passed a law creating WGU Washington. Other states are rumored to be in talks to create similar partnerships, including California, Texas, Arizona, and Louisiana.

Anointing a Utah-based institution as a state university of Indiana and Washington might strike some as odd, but that is not the most unusual thing about the arrangements between the states and Western Governors. (Distance-learning programs have become commonplace, not least at public universities.) The main difference between Western Governors and other state-sponsored higher education programs has to do with the pedagogical model. Western Governors focuses not only on teaching new skills but also on awarding credits for existing ones. There are no classes, no lectures, no fixed academic calendar. For what students can prove they already know, they get credit. For what they can't, they are given learning materials and some light guidance. Students are charged tuition every six months and take exams whenever they feel they are ready.

The model, called “competency-based learning,” has some champions in the policy world. The Council for Adult and Experiential Learning has advocated for "prior learning assessment" as a way of making sure students -- especially low-income ones -- do not pay any more to complete

a degree than they have to. The Center for American Progress has praised Western Governors as a beacon of innovation in an industry entrenched in the tyranny of the credit hour. The Stanford Research Institute recently rose to the defense of a competency-based associate degree program in nursing at Excelsior College, noting in an extensive study suggesting that its graduates are on par with those of more traditional programs.

But resistance from educators in Washington and Indiana suggests that Western Governors, and its novel approach, might have some political battles ahead as it looks to expand its state-by-state strategy. The concerns that have been raised in Washington and Indiana -- that Western Governors will not be held to the same standards of transparency and excellence as other public universities, that it will be taking student financial aid dollars that normally flow to truly in-state institutions, that it could create the illusion of addressing the capacity issue without really making much of a dent -- might foreshadow debates that could soon play out in legislatures across the country.

Competencies, not Courses

It is fair to say that the state-branded versions of Western Governors do not fit the mold of the traditional public university.

For one thing, students do not have professors. The university awards credit based on how well students can demonstrate “competencies” -- skills that students know already, from previous education or work experience, or should be able to learn without any real hand-holding. Its students, whose average age is 36, work through course material on their own, with occasional guidance from “mentors” (75 percent of whom hold graduate degrees) who advise them online or by phone every week or two.

The university’s academic heavyweights [7] are relegated to figuring out what students need to prove they have learned by the end of each unit, and designing exams accordingly. The total size of the full-time faculty is 700, according to WGU.

“We do not develop any of our own courses,” says Bob Mendenhall, the president of Western Governors. “We develop the competencies required for a degree and the assessments to measure those competencies. Then our faculty go and find the best courses available to … teach that content.” Western Governors licenses course modules from commercial providers such as Pearson and McGraw-Hill and borrows from open courseware sites, Mendenhall says.

Western Governors offers bachelor's and master's degrees (no associate degrees) in four general areas: business, education, health care, and information technology. Students do not need to wait until the end of a semester to take an exam; they can pay to take one at the nearest bricks-and-mortar testing center anytime they think they are ready. Beyond course materials, testing fees, and various other program-specific fees (some of which are $1,000 or more), the amount of tuition students pay depends on how much time it takes them to prepare for and complete all their exams. Tuition [8] is a ticking clock: every six months, students are charged between $2,890 and $4,250, depending on the program.

In other words, students who know the most coming in, or are able to learn the quickest, will probably end up paying the least. Students who take longer -- because they are slow learners, or do not learn well on their own, or have especially demanding jobs or home lives, or are merely lazy, or some combination -- will probably end up paying the most.

About 40 percent of Western Governors students graduate the university with a degree within

four years. (Given the large number of nontraditional students at Western Governors -- the average age is 36, and two-thirds work full-time -- the university calculates its own graduation rate that, unlike the federal rate, includes part-time and non-first-time students.)

Those who do graduate take an average of 30 months, or five pay periods, to do so. Five percent of students default on their student loans within two years.

In its 2010 annual report, [9] Western Governors emphasized students' high satisfaction with its curriculum: 72 percent of students stick with the program after a year; 96 percent say they are satisfied with their experience; 97 percent say they would recommend Western Governors to a friend. The university scores higher than average on the National Study of Student Engagement. In a recent survey (conducted by the university) of 120 employers, nearly 80 percent judged their employees who graduated from Western Governors to be equal to or better than their employees from other universities.

The news media, too, have tended to focus on narratives that show how the university has enabled some students to pull themselves up by their bootstraps. In 2009, as part of a series called "What Works," "NBC Nightly News" aired a segment [10] on Western Governors that highlighted several success stories: an elementary school teacher in Miami who was able to get a graduate degree while tending to her two young children at home; a veteran computer specialist in Sacramento who had been "in and out of community college" for 20 years before finally finding, in Western Governors, a degree program that would allow him to get a degree necessary for a promotion "with very little studying."

But not all graduates can relate.

Tima Huseman, 25, teaches second grade at a school outside Houston. Shortly after earning an undergraduate degree in early childhood education from Texas Tech University, Huseman enrolled in a master's program at Western Governors with a focus on K-8 math education. She graduated promptly and is well on her way to paying back the $12,000 she took on in debt.

There's only one problem, Huseman says: "I didn't learn anything to further my teaching."

The first three months of the program were great, says Huseman. "You watch videos, you have to do worksheets, you plan lessons," she says -- exercises she felt were actually helping her become a better teacher. But the subsequent 14 months were devoted to a research paper that Huseman felt was too narrow and theory-based to have any practical application. She had expected more in the way of teaching strategies. The process of collecting data and drafting her paper made her a better writer and researcher, she says, but not a better teacher.

"I felt like I wasn't learning anything, but I stayed because I didn't want to waste the money I had spent already," Huseman says, adding that her mentor had to talk her out of quitting on three separate occasions.

Huseman says she liked her mentor, whom she spoke to every few weeks by phone. Still, the elementary school teacher found Western Governors' "hands-off" model of instruction off-putting, and even a bit disturbing. "No one comes to check on you," she says. "I know they can't have people everywhere, but I don't know -- I could literally have made up everything."

Huseman is just one story, no more or less valid than the more uplifting ones from the NBC segment. But the contrast of her narrative with the others brings into sharper relief a caveat that is duly acknowledged by the university and its champions, but rarely illustrated: Western

Governors is not for everyone.

Model of the Moment?

The nationwide push for college completion has two main parts. The first is getting high school students into, and through, postsecondary degree programs. The second is getting college degrees in the hands of adults who never earned one to begin with. That second group stands to become more important to completion goals as the proportion of high school graduates shrinks.

Research has shown that the most promising degree candidates in the second group are those with some college already under their belt. And this population is Western Governors' specialty.

States have begun aggressively pursuing these errant learners. Texas, for example, has compiled a database of dropouts who have at least 100 hours' worth of college credit and instructed their alma maters to try to coax them back, says Ray Paredes, the state's commissioner of higher education.

Meanwhile, Texas -- whose governor recently challenged [11] state institutions to come up with a four-year degree that would cost students less than $10,000 -- has been in talks with Western Governors about a potential WGU Texas, according to Paredes. (Some back-of-the-napkin arithmetic puts the cheapest Western Governors degree at a shade under $15,000 if completed in the average amount of time.)

"The whole issue of competency-based instruction … is all part of the national movement, that's gaining a lot of steam, to look at ways to deliver high-quality education at a reasonable price," says Paredes. "Because the model we currently have is unsustainable."

The model appears to be gaining momentum in some policy circles, even as the Obama administration, in its efforts to reduce fraud and abuse in federal financial aid programs, has taken steps [12] to enshrine the traditional credit hour in federal law.

The Center for American Progress, meanwhile, has published several harsh critiques of the credit-hour [13] as a standard for measuring progress toward a degree. "Policy efforts … that intentionally or unintentionally lock in the credit hour as the unit of measure based on seat time, for example, hold back the innovation in some significant ways to the detriment of students," wrote the authors of one report published earlier this year.

"Policymakers must first address higher-education budget constraints by helping low-cost disruptive universities -- public and private -- gain market share by eliminating barriers and partnering with them to grow enrollments and capability," says the report.

It goes on to laud Western Governors for marrying competency-based learning, which allows students to skip the stuff they already know, and online learning, which allows students to move at their own pace rather than the pace of their classmates and professors. The two innovations are, they say, a natural fit.

The Center for Adult and Experiential Learning last year published a huge study [14] that suggested students who were allowed to earn credit via "prior learning assessment" were far more likely to complete a degree. This was particularly true of Hispanic and black students. "Awarding college credit for significant life learning could be an effective way to accelerate degree completion, while lowering the cost, for underserved populations," the center wrote in a

follow-up research brief last month.

Even before the eggheads started weighing in, Western Governors had quietly started to boom. The university's early years, in the late 1990s, were plagued by accreditation woes and underwhelming growth. In 2003, its enrollment stood at 500 students. Now it claims an enrollment of 23,000 students. Between 2006 and 2010, its yearly revenue shot from $32 million to $111 million.

Perfect pitch

The university's recent shift to state-by-state colonization could mean even quicker growth. In the year since Daniels, the Indiana governor, announced the partnership with Western Governors, the number of Indiana residents enrolled at the online university has leaped from 300 to 1,200 -- more than 20 times the growth rate of the entire student body.

"The strategy is not only to be a state resource, but also to spread the model," Mendenhall, the Western Governors president, told *Inside Higher Ed* in February. "So a state might choose to say, 'OK, we're going to create our own technology-based, competency-based university using the WGU model.' I don't know that states have the resources to do that right now. A faster, cheaper way for them to get to the same end would be essentially to private-label WGU and let us run it for them."

Mendenhall knows that state governors are under pressure to increase college access and completion while slashing college budgets, and has tailored his sales pitch accordingly. He gave *Inside Higher Ed* a brief demo:

"Look, two-thirds of your jobs are going to require a college degree by 2013 [according to an oft-cited Georgetown University study [15]], and 40 percent of your adults have a degree," says Mendenhall, speaking as he would to state officials. "…You're not going to get to 66 percent of your workforce having a postsecondary degree just by educating more people coming out of high school. You've got to go back and recover a lot of those adults. We fill a hole in your system that allows you to reach working adults and educate them for the jobs of the future -- and we'll do it at no cost to the state."

So far in Indiana, the move has been a strategic boon for both the governor and Western Governors. Daniels got kudos for showing a forward-thinking approach to meeting Indiana's college completion goals without spending a dime on infrastructure: "All in all, Western Governors University appears to be a good fit for a Midwestern state with lots of busy, cash-strapped aspirants to higher education," wrote *The Indianapolis Star* in an editorial. (The Washington deal also garnered praise from the area's most influential newspaper: "Bringing this vision to Washington state will be a plus for our economy and citizens," read *The Seattle Times*.)

Western Governors, meanwhile, got a lot of free publicity, including a television ad [16] featuring Daniels himself. The deal also opened the door to conversations with other state governments. Mendenhall said in February that Western Governors officials have been in talks with about a half-dozen other states, including several in the east. "Over the next five years we'll aim to do 10, 12 states and then see where that takes us," he says.

'Not a College Education'

But while the arrangements have worked out well for state politicians and Western Governors

administrators, some educators in Indiana and Washington say such partnerships are unnecessary and inappropriate.

In an op-ed [17] published in *The Seattle Times* shortly before the WGU Washington bill became law, Johann Neem, an associate professor of history at Western Washington University, wrote that the competency model "threatens what makes our system successful."

"A college education is about going through a process that leaves students transformed," Neem wrote. "That's why it takes time. Learning is hard -- brain research demonstrates that real learning requires students to struggle with difficult material under the consistent guidance of good teachers. WGU denies students these opportunities. In fact, its advertisements pander to prospective students by offering them credit for what they already know rather than promising to teach them something new.… Whatever WGU is, it is not a college education."

Neem was not alone. Because Washington created its locally branded version of WGU by legislative means, rather than by gubernatorial fiat, it invited a counter-lobbying effort in the run-up to the partnership. Professors at state institutions came out of the woodwork to object, says State Sen. Jim Kastama, who championed the bill.

"Behind the scenes, it was a difficult bill to get through," says Kastama. Some people tried in vain to block Western Governors from ever being eligible to collect in-state aid from Washington students, he says. But the law that created WGU Washington does indeed permit the university to cash tuition checks paid with those in-state grants and scholarships, pending a review by the Higher Education Coordinating Board. Kastama says he does not expect that to be much of a hurdle.

Some academic leaders in Indiana, meanwhile, were miffed that the governor did not give them a chance to weigh in before partnering with Western Governors.

"What disappointed me beyond understanding was that the state would put resources into another program at the same time as they are cutting resources to every other nursing program in the state," says Marion Broome, dean of the school of nursing at Indiana University.

Jerry Pattengale, an associate provost at Indiana Wesleyan University, an independent nonprofit institution with a significant online presence, wrote in an e-mail that while he is a big fan of Governor Daniels, "There's an uneasy tension between the new federal regulations on credit integrity and the competency-based WGU approach." (Pattengale allows that "if the WGU approach is indeed valid, and legitimately sidesteps the extreme federal accrediting logistics, then Mitch is brilliant and over 60 Indiana campuses need to make a radical shift and follow suit.")

Anointing Western Governors as the state's "eighth public university" also raises questions about to what extent WGU Indiana is beholden to the same standards of curricular scrutiny as the other seven, Pattengale says.

Many existing public institutions offer flexible, online degree programs for adult learners. And most institutions also still count credits those adults earned long ago. In many cases, returning students would not have to log redundant credit hours if they want to finish their degrees.

"It was cast as if people suddenly had an opportunity to get a degree in a convenient manner, which simply wasn't true," says Pattengale, whose own institution, Indiana Wesleyan, owes a great deal of its recent growth to such programs.

A Red Herring?

Supporters of Western Governors' state-partnership model have dismissed such criticisms as petty and territorial. Of course public and other nonprofit institutions would be put off by Western Governors swooping in and snatching up students and their state-sponsored aid, they say -- the existing institutions want those students and tuition dollars for themselves.

But other critics say competition has nothing to do with it. They say the addition of Western Governors to the state university system could do more to distract from the problems of capacity and access than to solve them.

The Washington State public higher ed system currently struggles to accommodate traditional-age students, says Marsha Riddle Buly, professor of elementary education at Western Washington University. Each year, Washington's public institutions turn away many qualified high school graduates, Buly says. What the state needs to do is increase capacity in programs aimed at those recent high-school graduates, she says.

"Those kids are going to have trouble succeeding in a program that is designed for older, working adults, who already have education and work experience," says Buly. The hands-off, prior learning-focused model of Western Governors "is not going to help get an 18-year-old freshman or a 20-year-old community college student to really do well and get a degree," she says.

Buly may have a point. Western Governors does much worse with first-time, full-time students than it does with its general population, whose average age is 36. The university's graduation rate for first-time, full-time students is 22 percent, according to the most recent Education Department data.

The addition of Western Governors to the roster of state-endorsed universities could be insidious, says Karen Stout, an associate professor of communication and the incoming faculty senate president at Western Washington; not because the online university is illegitimate, but because it pays lip service to the capacity and access issues without doing much to fix them.

"It really doesn't improve the access issues," Stout says. "It's an illusion of access. If we want to provide more access for students and really address the needs of high school graduates … we need to expand access at the universities that they want to go to. And they're not seeking out WGU."

More likely, WGU Washington will attract community college students looking to upgrade to a baccalaureate program, who might have otherwise enrolled at a for-profit institution like University of Phoenix or Kaplan University, says Cable Green, the former director of e-learning for the Washington System of Community and Technical Colleges. For-profit institutions, which in recent years have fallen under intense scrutiny from federal watchdogs, tend to graduate students at similar rates and with more debt than the nonprofit Western Governors. And Mendenhall, the president, points out that while his university's 5 percent student loan default rate is higher than the rate at most public universities, it is substantially lower than at for-profit institutions.

Kastama, the state senator who led the effort to create WGU Washington, says he has no illusions that Western Governors will solve all his state's problems. "No, it's not the cat's meow," Kastama says. And it is true, that the online, competency-based Western Governors University does represent "uncharted territory" in the constellation of state-backed higher education

Tab 1.2

models.

But budget cutbacks are forcing state universities to raise tuition by more than 15 percent next year, with further hikes likely to come, Kastama says. New investment in instructors, classrooms, and online infrastructure -- which some educators see as the ideal way to address the capacity, access and completion issues -- is not coming any time soon. In such times, Kastama says, what harm is there in making room for alternatives?

For the latest technology news and opinion from Inside Higher Ed, follow @IHEtech on Twitter [18].

Teaching and Learning [19]

Source URL: http://www.insidehighered.com/news/2011/05/09/western_governors_university_and_online_competency_based_learning_model_gain_traction

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[1] http://www.insidehighered.com/news/2011/05/09/western_governors_university_and_online_competency_based_learning_model_gain_traction
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[13] http://www.americanprogress.org/issues/2010/08/college_credit.html
[14] http://www.cael.org/pdf/PLA_Fueling-the-Race.pdf
[15] http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/fullreport.pdf
[16] http://www.youtube.com/watch?v=qXr5ohnQz5o
[17] http://seattletimes.nwsource.com/html/opinion/2014658119_guest01neem.html
[18] http://www.twitter.com/IHEtech
[19] http://www.insidehighered.com/news/focus/teaching-and-learning

1.3

Information/Action Item

California Student Aid Commission

"MIT launches online learning initiative." December 19, 2011

Retrieved from http://web.mit.edu/newsoffice/2011/mitx-education-initiative-1219.html

"What is *MITx*? Answering common questions about the Institute's new approach to online education." December 19, 2011

Retrieved from http://web.mit.edu/newsoffice/2011/mitx-faq-1219

Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles.

MIT launches online learning initiative

'*MITx*' will offer courses online and make online learning tools freely available.
News Office

December 19, 2011

MIT today announced the launch of an online learning initiative internally called "*MITx*." *MITx* will offer a portfolio of MIT courses through an online interactive learning platform that will:

- organize and present course material to enable students to learn at their own pace
- feature interactivity, online laboratories and student-to-student communication
- allow for the individual assessment of any student's work and allow students who demonstrate their mastery of subjects to earn a certificate of completion awarded by *MITx*
- operate on an open-source, scalable software infrastructure in order to make it continuously improving and readily available to other educational institutions.

MIT expects that this learning platform will enhance the educational experience of its on-campus students, offering them online tools that supplement and enrich their classroom and laboratory experiences. MIT also expects that *MITx* will eventually host a virtual community of millions of learners around the world.

MIT will couple online learning with research on learning

MIT's online learning initiative is led by MIT Provost L. Rafael Reif, and its development will be coupled with an MIT-wide research initiative on online teaching and learning under his leadership.

"Students worldwide are increasingly supplementing their classroom education with a variety of online tools," Reif said. "Many members of the MIT faculty have been experimenting with integrating online tools into the campus education. We will facilitate those efforts, many of which will lead to novel learning technologies that offer the best possible online educational experience to non-residential learners. Both parts of this new initiative are extremely important to the future of high-quality, affordable, accessible education."

Offering interactive MIT courses online to learners around the world builds upon MIT's OpenCourseWare, a free online publication of nearly all of MIT's undergraduate and graduate course materials. Now in its 10th year, OpenCourseWare includes nearly 2,100 MIT courses and has been used by more than 100 million people.

MIT President Susan Hockfield said, "MIT has long believed that anyone in the world with the motivation and ability to engage MIT coursework should have the opportunity to attain the best MIT-based educational experience that Internet technology enables. OpenCourseWare's great success signals high demand for MIT's course content and propels us to advance beyond making

content available. MIT now aspires to develop new approaches to online teaching."

OCW will continue to share course materials from across the MIT curriculum, free of charge.

***MITx* online learning tools to be freely available**

MIT will make the *MITx* open learning software available free of cost, so that others — whether other universities or different educational institutions, such as K-12 school systems — can leverage the same software for their online education offerings.

"Creating an open learning infrastructure will enable other communities of developers to contribute to it, thereby making it self-sustaining," said Anant Agarwal, an MIT professor of electrical engineering and computer science and director of MIT's Computer Science and Artificial Intelligence Laboratory (CSAIL). "An open infrastructure will facilitate research on learning technologies and also enable learning content to be easily portable to other educational platforms that will develop. In this way the infrastructure will improve continuously as it is used and adapted." Agarwal is leading the development of the open platform.

President Hockfield called this "a transformative initiative for MIT and for online learning worldwide. On our residential campus, the heart of MIT, students and faculty are already integrating on-campus and online learning, but the *MITx* initiative will greatly accelerate that effort. It will also bring new energy to our longstanding effort to educate millions of able learners across the United States and around the world. And in offering an open-source technological platform to other educational institutions everywhere, we hope that teachers and students the world over will together create learning opportunities that break barriers to education everywhere."

What is *MITx*?

Answering common questions about the Institute's new approach to online education.
News Office
December 19, 2011

This set of FAQs accompanies MIT's Dec. 19, 2011 announcement regarding MITx.

Why is MIT doing this?
MIT seeks through the development of *MITx* to improve education both on the MIT campus and around the world.

On campus, *MITx* will be coupled with an Institute-wide research initiative on online teaching and learning. The online learning tools that *MITx* develops will benefit the educational experience of residential students by supplementing and reinforcing the classroom and laboratory experiences.

Beyond the MIT campus, *MITx* will endeavor to break down barriers to education in two ways. First, it will offer the online teaching of MIT courses to people around the world and the opportunity for able learners to gain certification of mastery of MIT material. Second, it will make freely available to educational institutions everywhere the open-source software infrastructure on which *MITx* is based.

Since it launched OpenCourseWare (OCW) 10 years ago, MIT has been committed to using technology to improve and greatly widen access to education. The launch of *MITx* represents a next step forward in that effort.

Who is leading the development of *MITx*?
The initiative is led by MIT Provost L. Rafael Reif.

When will *MITx* go live?
MIT plans to launch an experimental prototype version of *MITx* in the spring 2012 timeframe. Once the open learning infrastructure is in stable form, MIT will also release the open-source software infrastructure and will establish ways for other universities, as well as interested individuals, to join MIT in improving and adding features to the technology.

Why is MIT announcing this now, before *MITx* has been built?
Many schools and faculty within MIT and other universities are interested in online education and exploring ways in which to offer their content online. MIT wants its community and the communities of other institutions to know that they can continue to look to MIT to bring innovation to online learning and teaching, as it has done with OCW. MIT also wants to make available an adaptable, free platform for any school to use for its own online initiatives. Furthermore, the time is right from a technology perspective, because within MIT we have already gained experience in online technologies through many courses that already include significant online components. These technologies include online tutors, online laboratories,

crowd-sourced grading of programs, machine learning and automatic transcription.

How will this affect the MIT on-campus education?
MIT's residential-based education is the heart of the MIT community, and an MIT degree holds special distinction. *MITx* will be coupled with an MIT-wide research initiative into online learning that will study ways in which students, whether on campus or part of a virtual community, learn most effectively. To the degree that *MITx* demonstrates highly effective online learning tools from which campus-based students might benefit, such as self-paced online exercises, those tools will become part of the experience of MIT students. These tools will enable campus faculty to automate some of the more repetitive and less creative tasks, such as grading, thereby liberating more time to devote to innovative ways of teaching the material and to additional contact time with resident students.

Is MIT signaling a lack of support for the traditional, residential model of education?
Not at all. MIT believes firmly in the residential model of education. MIT's new initiative in online education is meant not only to improve the experience of traditional, residential MIT students by continuing to innovate with the latest pedagogical technologies, but also to lower the existing barriers between residential campuses and millions of learners around the world.

Will MIT students and online-only non-MIT learners use *MITx* in the same way?
No. MIT faculty and students will determine what use to make of the new platform for their on-campus classes: The platform may serve as a way for students to reinforce and explore what they are learning in the classroom and lab. We have observed that the same is true of OCW: MIT's residential learners use OCW materials to augment their residential experience.

Will this platform offer MIT degrees?
No. MIT awards MIT degrees only to those admitted to MIT through a highly selective admissions process.

If credentials are awarded, will they be awarded by MIT?
As online learning and assessment evolve and improve, online learners who demonstrate mastery of subjects could earn a certificate of completion, but any such credential would not be issued under the name MIT. Rather, MIT plans to create a not-for-profit body within the Institute that will offer certification for online learners of MIT coursework. That body will carry a distinct name to avoid confusion.

Who can take courses on *MITx*? Will there be an admission process?
As with OCW, the teaching materials on *MITx* will be available to anyone in the world for free, and in general, there will not be an admission process. However, credentials will be granted only to students who earn them by demonstrating mastery of the material of a subject.

In *MITx*, what will be free and what will cost money?
All of the teaching on the platform will be free of charge. Those who have the ability and motivation to demonstrate mastery of content can receive a credential for a modest fee.

What will it cost to get a credential for a given course?

MIT is in the process of determining a fee structure for individual courses and groups of courses. The aim is to make credentialing highly affordable.

Will MIT remain committed to OpenCourseWare?
Yes. OCW will continue as before: It will make course materials from across the MIT curriculum available to the world for free. There will be no reduction in the level of what OCW offers.

How will *MITx* be financed?
MIT's online initiative will be a not-for-profit activity consistent with MIT's mission, but it is expected to generate positive net income from various revenue sources, including fees for certification from learners who demonstrate mastery of course material. MIT also anticipates substantial interest from foundations, companies and individuals positioned to support the endeavor. MIT will share the expected positive net income with faculty members who develop courses for the platform. Net income from the initiative after revenue sharing will benefit MIT and its mission.

OCW provides course material for nearly all MIT classes. Will *MITx* offer interactive online courses at that same scale?
No. *MITx* will begin by offering a portfolio of selected courses, which will grow over time. The selection of courses will depend on the interests of MIT faculty and online learners and will be determined on a course-by-course basis.

What resources will MIT make available to the faculty in support of *MITx*?
MIT will actively support faculty members in creating online courses.

1.4

Information/Action Item

California Student Aid Commission

Carey, Kevin. (2012, January 10). A Radical Solution For America's Worsening College Tuition Bubble. *The New Republic*.

Retrieved from *http://www.tnr.com/article/politics/99415/college-tuition-afford-higher-education*

Note: Documents or articles included in the sub-tabs should not be construed as endorsements by the Commission of any particular views stated in the documents or articles.

A Radical Solution For America's Worsening College Tuition Bubble

Originally published by *The New Republic*
http://www.tnr.com/article/politics/99415/college-tuition-afford-higher-education

January 10, 2012
Kevin Carey

Over the last three decades, through good economic times and bad, one of the few constants in American life has been the relentless rise in the price of higher education. The numbers are stark: According to the non-profit College Board, public four-year universities raised tuition and fees by 8.3 percent this year, more than double the rate of inflation. This was typical: Over the last decade, public university tuition grew by an average of 5.6 percent above inflation every year. And the problem is also getting worse: In the 1990s, the annual real increase was 3.2 percent. In the 1980s, it was 4.5 percent.

Even as the economy has reorganized itself to make college degrees increasingly indispensable for the pursuit of a decent career, federal financial aid programs and family income haven't been able to keep up with incredibly buoyant tuition bills. Students and families have been left with only one recourse: borrowing. The federal government is now lending college students over $100 billion per year, a 56 percent per-student increase, after adjusting for inflation, from just ten years ago. Most undergraduates borrow today, and leave college with an average of over $25,000 in debt. And as the many signs displayed by the Occupy movement attest, some young people owe much more than that. For a growing number of students, entering the lucrative college-educated realms of the economy is like being smuggled across the border—you can get to the promised land if you try hard enough, but you arrive in a state of indentured servitude to the shady operators who overcharged you for the trip.

Politicians are taking note of the rise in public outrage. Several weeks ago, at a student financial aid conference in (appropriately enough) Las Vegas, U.S. Secretary of Education Arne Duncan exhorted the nation's colleges and universities to work with more urgency and creativity to "contain the spiraling costs of college and reduce the burden of student debt." The next week, President Obama held a private meeting with a small group of college presidents to discuss the issue. Vice President Biden followed a few days later, telling a group of parents that "The incredible cost of college education is for the first time crushing hundreds of parents." (He meant hundreds of thousands, presumably.)

But while the administration has done a great deal to mitigate rising college prices by increasing funding for Pell grants and making it easier for students to pay back loans, it has done little to restrain the growth of college prices themselves. The recent communications blitz has raised the profile of the issue, but solutions that might actually bend the higher education price curve remain in short supply. And that's because tuition addiction is a function of basic structural elements of the higher education system that will require equally foundational changes to alter.

But the severity of the problem should not be a deterrent to finding a solution. The best thing federal policymakers can do is help colleges hit rock bottom as quickly as possible, before the opportunity for recovery is lost. That will mean creating a new policy structure allowing for new higher education providers—not all of them colleges—to help students learn.

BACK-BREAKING TUITION increases are, in many ways, an inevitable consequence of the way our higher education system is currently designed. Imagine you're in the business of selling apples that cost $1 on the open market. Then the government decides that more people should have the opportunity to buy apples and society would benefit from a net increase in apple consumption. So it decides to drop the price of apples to 60 cents. Sometimes it does this by giving you 40 cents for every apple you sell, on the

condition that you start selling apples for 60 cents. Sometimes it gives people vouchers worth 40 cents that can only be used to purchase apples from approved vendors.

At first, the policy works splendidly. Apples are effectively less expensive so more people buy them and the nation is suffused with apple goodness. But then you, the apple vendor, look at the situation and say "Hey, the market price of an apple is still $1. Wouldn't it be great if I could charge $1 for apples, but still get 40 cents from the government for every apple I sell?" Raising the price all the way from 60 cents back to $1 in a single year would be too obvious and jeopardize political support for the apple subsidy program. So you start raising prices by three, four, or five percent above inflation annually. When annoyed public officials begin asking why, you explain that apple production is an expensive, labor-intensive business, and that all of the extra money is being used to produce the very best apples money can buy. Since apple quality is substantially a matter of taste, this is a hard claim to refute.

Meanwhile, you use some of your new profits to sponsor crowd-pleasing sports events on weekends, building public goodwill. Other profits are used to hire professional lobbyists to plead for both more subsidies and more freedom to set prices. You also convince the government to allow you and other incumbent apple sellers to form a private organization with the authority to decide whether new sellers can become "approved apple vendors" for the purposes of receiving public subsidies. Unsurprisingly, few new sellers are approved.

But eventually things start to break down. As time passes and price increases accumulate, the public starts to notice that while the taxes they pay to support apple subsidies are staying the same, the price of subsidized apples is creeping closer to the market price. This seems unreasonable. Meanwhile, when the economy turns sour, available tax receipts for apple subsidization decline. Instead of raising taxes to make up the difference, public officials drop the per-apple subsidy to 30 cents. This is bad for you, because it means you either have to spend less money on the exotic orchid greenhouse you've built next to the apple orchard—the reason, truth be told, you got into the apple business in the first place—or raise prices even further. Luckily, since you've kept new vendors out of the market and prices are still below the market rate, you can get away with raising prices, and so you do.

This is essentially the story of public higher education over the last thirty years. Diplomas are, of course, not apples. But they are more like apples than colleges like to pretend. In particular, highly-profitable lower division courses in common subjects like Economics, Calculus, and Psychology have similar curricula at most colleges and rely on many of the same nationally-marketed textbooks. They are often taught by people with no formal training in teaching. These courses are, in the education context, commodities.

It's true that we also have many private non-profit and for-profit colleges and universities in this country. But they, too, are afflicted with the craving for increased tuition. In part, that's because they benefit from many of the same subsidies. Non-profit colleges don't pay taxes, even when they have billions of dollars in the bank. People can use their publicly-financed college vouchers—and, increasingly, claim lucrative tax credits—for private college tuition. Because nobody really knows which colleges provide the best education, consumers have been trained to think of colleges like a luxury good: The best are the most expensive, by definition.

Non-profit colleges also don't have shareholders demanding that they maximize the difference between revenues and expenses. Instead, they're run by administrators and faculty who are most interested in competing for status with other colleges, which is determined by the size, expense, and ornateness of the academic greenhouses in which basic research and scholarship are produced.

For-profit colleges, on the other hand, do have shareholders, and the for-profit sector has expanded rapidly in recent years. But most have made the very rational decision to get in on the subsidy scam. Instead of gaining customers by competing on price (a tricky thing to do when people think the best colleges are the most expensive, by definition) they've taken advantage of two highly scalable systems: online course delivery and the federal government's ability to lend money. Instead of using their outsized profits to pay for expensive greenhouses, they've used the money to fund national marketing efforts designed to keep enrollment growth, stock prices, and executive compensation high.

In other words, everyone currently in the four-year higher education business has a host of strong incentives to raise prices and hardly any incentives to lower them. Unsurprisingly, prices often go up and almost never go down. In the long run, this will badly undermine the legitimacy of higher education and weaken the case for public subsidization. College will become a private good affordable only to the minority subset of the population that can afford it. America's aggregate level of human capital will suffer and our competitive position relative to other nations will decline. According to the OECD, many other industrialized countries are already increasing their levels of college attainment faster than we are.

Colleges have a strong collective interest in preventing this from happening. But each college has a strong individual interest in mainlining student tuition hikes for as long as they can. After all, if only rich people can afford to attend your college, that means you have a selective-admissions college full of rich people—which is what most colleges want to be. It's mathematically impossible for all colleges to win this game, but they all think they can be among the winners. And the people running them today are concluding, correctly, that they'll likely be long gone before the day of reckoning comes.

All of which is to say that college tuition addiction, like any serious dependency, can't be cured by gentle moral exhortation. College won't kick the habit of raising prices until the things they care about—money and reputation—are seriously threatened by competitors. Therefore, federal policymakers should help create those competitors by helping establish many brand-new colleges and universities.

FOR AN INDUSTRY so central to our roiling, adaptable society, higher education is remarkably static. Students today go to almost exactly the same set of colleges their parents went to, and their parents went to. Most private colleges were founded decades or more ago. (A few pre-date the Republic.) The great mid-20th century process of building out a system of public universities and community colleges to accommodate the baby boom and transition to mass higher education was largely complete by the 1970s. Since then, most colleges have firmly settled into their foundations. They are what they are, and won't change unless existentially threatened—and maybe not even then.

State governments can't be relied upon to birth new competitors. Colleges exert outsized influence in statehouses where the political class is often dominated by graduates of flagship public universities. Institutions whose professional sports teams serve as a locus of civic identity can easily quash any attempt to break up their monopoly over public funds. States have also been pulling back on their funding of higher education, leaving only the federal government, which boosted funding for Pell grants by $20 billion over the last two years and now directly handles the vast majority of student loans. The financing of American higher education is being steadily nationalized and that creates new obligations and opportunities for federal policymakers to change the workings of the industry in a way that benefits students and the public interest.

That doesn't mean the U.S. Department of Education should start running its own university system. It would do this badly. Instead, Congress and the Obama administration should create a new policy framework under which organizations can become officially recognized providers of higher education. Note, I do not say "officially recognized colleges or universities." That's because one of the things that makes college so expensive is that colleges (and the college experience these institutions provide) are

expensive and currently people can only receive government-subsidized higher education services from colleges. Under the new system, any provider could receive payment via Pell grants, federal loans, or other current and imagined federal aid systems if they agree to a few baseline conditions.

First, they would be subject to strict price regulation. They would be free to offer courses for less than the maximum allowable amount per credit, but not more. Second, they would have to be extremely transparent about quality. They would be required to provide public information about how much their students learn, and have their access to federal aid rescinded if students are not learning enough.

These new providers would not have to be approved by independent accrediting bodies run by existing colleges and universities, as recipients of federal aid are today. In fact, they wouldn't have to be colleges at all. InsideHigherEd recently reported that a pair of well-known Stanford professors are currently teaching an Artificial Intelligence course to about 200 Stanford students—and more than twenty thousand students around the world, online. The non-Stanford students won't receive credits from Stanford, but they will receive official documentation from the professors as to how they scored on course tests and their overall rank. Under this new system, those professors would be free to set up their own business teaching Artificial Intelligence over the Internet, and students would be free to pay them with federal aid. Other providers might take advantage of the fast-growing body of open educational resources—free online courses, videos, lectures, and syllabi—and add value primarily through mentoring, designing course sequences, and assessing learning.

Students, of course, won't want to pay for these courses if they can't receive college credit that can be translated into a degree. So as part of the new system, any existing colleges that want to continue receiving federal financial aid will be required to accept any credits granted by participants in the new system in transfer. Because these new providers will have the imprimatur of United States government approval, they will be able to compete for students who want degrees backed by sufficient reputation. And because they will be inexpensive and attached to verifiable data about how much students are learning, they will make a compelling value proposition when competing with traditional colleges that have no such data, charge more money, and are weighed down by legacy expenses and change-resistant cultures.

This will be bitter medicine for many existing colleges and universities. Some will adapt and even thrive by becoming more efficient and productive. Others will not, and die out. This will be a significant loss for some local communities and will threaten the financial structure that supports vital academic scholarship of many kinds. Much university scholarship today is indirectly paid for with revenue from student tuition and public subsidies. As the higher education market starts to break into pieces and those kind of hidden subsidies are laid bare, society will need to find new mechanisms for supporting the work of the best scholars in the field.

But a collapse of the old system is going to happen one way or another soon enough: that our addiction-wracked higher education system faces some painful future reckoning is certain. The question is whether this happens via slow wasting or if we have the foresight to build a better, more productive modern system of higher learning before it's too late.

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Information/Action Item

California Student Aid Commission

Kelderman, Eric. (2011, November 6). Online Programs Face New Demands From Accreditors. *Chronicle of Higher Education*.

Retrieved from http://chronicle.com/article/Online-Programs-Face-New/129608/

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http://chronicle.com/article/Online-Programs-Face-New/129608/

Chronicle of Higher Education

November 6, 2011

Online Programs Face New Demands From Accreditors

By Eric Kelderman

In some circles, online education has a bad reputation. Accusations that some for-profit companies prey on unsuspecting students to rake in federal financial aid have led to image problems for the sector. Critics see online education, offered in particular by for-profit colleges, as the dark underbelly of higher education, with the quality of Internet courses second to the greed of unscrupulous investors.

And now the critics are counting on accreditors to clean up the problems.

The U.S. Education Department has issued new regulations to keep distance educators in check, and has pressured the groups that accredit colleges and universities to keep a tighter rein on those that offer online courses. Members of Congress blame accreditors for lax oversight of online programs that have engaged in alleged fraud and deception.

Accreditors counter that they are adapting to the fast-growing world of online education by requiring colleges to prove that students learn as much in distance courses as in face-to-face classes. Doubts about the merit of online education are less about quality and more about the business practices of for-profit colleges, the accreditors say. Because of that, they argue, their agencies are being asked to regulate issues outside their domain.

"What appears to be happening is that policy makers are asking accreditors to do things that they traditionally have not been doing," says Michale S. McComis, executive director of the Accrediting Commission of Career Schools and Colleges, a national organization that accredits about 800 private, for-profit institutions. "The Department of Education has a role to play, states have a role to play, and we have a role to play," he says. "Accreditation is not the only line of defense."

Accreditation of online courses has evolved as such programs have grown from a small niche in higher education to a staple at both nonprofit and for-profit colleges. The current tensions are just the latest surrounding the academic-accreditation process, which has involved a patchwork of accrediting groups and competing interests since it took root, in the late 19th century. Accreditation sets basic standards of academic quality, and then peer-reviewers assess whether colleges are meeting those standards, which vary by the type of accrediting agency. There are now six regional accrediting groups, which oversee a wide range of institutions, including community colleges, research universities, and for-profit colleges. There are also seven national accreditors that focus on a particular type of institutional mission, such as the Accrediting Commission of Career Schools and Colleges and the Distance Education Training Council, which accredits only colleges that offer most of their courses online.

Regulatory requirements for accreditation increased with the college-enrollment booms that followed World War II, further complicating the process.

In particular, the 1965 Higher Education Act made students' eligibility for federal student aid contingent upon their colleges' accreditation.

When online learning got under way, in the 1990s, the attitude of most accrediting groups was to treat it like something completely different from classroom learning, says Philip A. Schmidt, associate provost for compliance and accreditation at Western Governors University. The private, nonprofit, all-online university, which began offering courses to a few hundred students in 1999, now enrolls more than 25,000 students from across the country and is accredited by the Northwest Commission on Colleges and Universities, one of the six regional accrediting agencies, and also by the Distance Education Training Council.

When online learning "was something very new, 15 years ago, we thought, Whoa, we need to look at this," says Sylvia Manning, president of the Higher Learning Commission of the North Central Association of Colleges and Schools. The regional accrediting group counts all but a few of the nation's largest for-profit colleges among its member institutions.

The six regional accrediting agencies responded to the early growth of distance education by adopting in 2001 a common set of broad standards meant to determine if a college is well suited to offer online courses and if it is using the best practices to deliver them. Those guidelines, which were revised in 2006, recommend, for example, that colleges show evidence that faculty members who teach online courses have been appropriately trained to use the medium, and that student-support services are sufficient.

Until the past year, students were flocking to online education. Nearly a third of all students in higher education took at least one course online in 2009, according to an annual report of the Sloan Consortium, a nonprofit group that studies and promotes online learning. As overall college enrollments grew 2 percent from 2008 to 2009, the number of students in online courses increased by 21 percent, the Sloan study found. Nearly two-thirds of the colleges surveyed—both for-profit and nonprofit—said online learning was a critical part of their strategic plans.

And with the growth of distance education, accreditors have begun to realize that online courses can be just as good, or as bad, as face-to-face courses, says Ms. Manning. Instead of focusing solely on the differences in the two settings, she says, accreditors are moving to consider what students are learning in both sectors.

But many people still recognize that online education must improve in key areas of retention and graduation, says Thomas J. Snyder, president of Ivy Tech Community College, in Indiana, which has had a 60-percent increase in enrollment in online courses over the past five years. Ivy Tech, the state's public, two-year college system, has put in place extra assessments to determine whether students are prepared for the self-discipline and demands of online courses.

With large numbers of students dropping out of online programs, determining which students will succeed has become a widespread concern, says Mr. McComis, of the accrediting group for career colleges. "What we've always said ... is that online education is not for everybody."

As the number of online students has risen, so has the amount of federal student aid that is used to pay for distance education. The hundreds of for-profit colleges that rely heavily on online education receive nearly 90 percent of their revenue from federal student aid. And those funds do not include dollars paid through the G.I. Bill, which provides tuition benefits to veterans and their families, who are aggressively recruited by for-profit colleges.

The growing amount of federal tax money paying for online education has attracted the attention of the Education Department and some members of Congress, who are concerned that for-profit colleges are putting profit ahead of educational quality.

In late 2009, the Education Department's Office of the Inspector General recommended limiting, suspending, or terminating the accrediting authority of North Central's Higher Learning Commission, which oversees colleges in 19 states in the middle of the country. The proposed penalties were the result of the commission's decision to accredit American InterContinental University, a for-profit college owned by the Career Education Corporation. The inspector general was concerned that some students who took some classes online were receiving too much credit for the short duration of the courses.

The inspector general's report sparked a Congressional hearing in June 2010—one of many held by Democrats to probe the practices of for-profit colleges and online education and accreditation—and a stricter new rule defining credit hours.

Accreditors were also brought before Congress in August 2010, when an investigation by the Government Accountability Office alleged widespread abuses in the recruiting and enrollment of students at for-profit colleges.

There are signs that the stricter regulatory environment is having an impact. New-student enrollments at the 10 largest for-profit colleges were down an average of 14 percent this year, according to company financial disclosures and analysts' reports. And accreditors are starting to take a harder look at the business operations of for-profit colleges, in part to prevent even greater involvement by state and federal regulators.

The Accrediting Council for Independent Colleges and Schools, a national group that reviews more than 850 career-oriented colleges, has introduced an optional category of accreditation. It would require companies that own such colleges to demonstrate that they have adequate policies to prevent misbehavior. Under the new model, which is now a pilot program at two colleges, the council will look at the companies' strategic and financial planning and how they plan to maintain educational quality as enrollments grow.

The Western Association of Schools and Colleges, a regional accreditor, is considering far-reaching changes to allay concerns about Bridgepoint Education, a for-profit company that is seeking accreditation. Bridgepoint, which operates two small campuses in Colorado and Iowa, enrolls nearly all of its 80,000 students online. It has been called a "scam" by U.S. Sen. Tom Harkin, an Iowa Democrat, who cited because of its high dropout rate, low per-student spending, and eye-popping executive compensation. Ralph A. Wolff, president of the Western accrediting group, says Bridgepoint's finances will be independently audited. Bridgepoint did not respond to requests for comment. Western is considering making its accreditation reports public and requiring institutions to set actual benchmarks for retention and graduation.

Bridgepoint's Iowa campus was originally accredited by North Central's Higher Learning Commission, after the company bought a small, private nonprofit college in the state. The commission no longer automatically grants accreditation in such transactions. Last year, for example, it denied a request to transfer the accreditation of Dana College, a small, religiously affiliated college in Nebraska, to a group of private investors seeking to buy it. Dana has since closed.

Many people in the field think accreditation agencies are being burdened with issues beyond their reach. Accreditors have neither the staff nor the legal authority to conduct actual investigations. And accreditation reviewers are volunteers, usually from peer institutions, who are experts in higher education but not corporate malfeasance.

There is widespread discussion about overhauling accreditation in the next reauthorization of the Higher Education Act, in 2013 at the earliest. Suggestions include no longer making accreditors the gatekeepers for federal financial student aid. That would, however, remove accrediting agencies' greatest leverage over institutions.

Accreditation should primarily be about preserving and improving the quality of an education, while allegations of fraud and deception in disbursing financial aid should fall to federal regulators, says Ms. Manning, of the North Central accrediting group.

"One important thing to remember, which is often forgotten, is that it is not the case that accreditation is the only thing that stands between an institution and access to federal student financial aid," she says. "Accreditation is a gatekeeper but not the sole gatekeeper."

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- The Chronicle of Higher Education
- 1255 Twenty-Third St, N.W.
- Washington, D.C. 20037