The Cost of Online Education: Leveraging Data to Identify Efficiencies

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Abstract

In the fall of 2017, the University System of Georgia (USG) embarked upon a robust study to determine the cost of delivering online education at each USG institution. An in depth analysis related to the cost of online course and faculty development; technology and infrastructure; support services and; administrative services was conducted on each campus. At Kennesaw State University, the cost study helped to inform a revised budgeting process and identify areas that were being subsidized by eTuition. The results were used to identify efficiencies and address college affordability concerns.

Introduction

The ability to deliver affordable online education affects the educational attainment of students across the nation, especially the 34% of online learners who are first generation college students (http://pnpi.org/first-generation-students/). Nationally, online and face-to-face tuition are equal at 75% of higher education institutions. However, when course fees are added to the equation, online students end up paying more than campus students more than half of the time (Poulin & Straut, 2017). In the state of Georgia, 15% of all undergraduate college courses were delivered online in FY 16 (Griffin & McGuire, 2017). In utilizing a separate eTuition rate for online courses, a cost disparity began to emerge. Out of state students were paying the same amount for online courses as in-state students and, in some instances, in state students were paying more when they combined face-to-face and online courses in their schedules, since face-to-face courses come with significantly higher fees. Essentially, eTuition penalizes in-state students and rewards out of state students with a lower cost than out of state tuition (Griffin & McGuire, 2017). In spite of this disparity, college administrators are nearly unanimous in their agreement that it costs substantially more to deliver online courses than it does to deliver campus based face-to-face courses (Legon & Garrett, 2017).

While public funding and state appropriations for higher education have decreased, colleges and

universities have come to rely heavily on eTuition as an additional, consistent revenue stream. In 2017, the University System of Georgia (USG) initiated a system-wide study to determine the cost of online education as part of a larger conversation around affordability in higher education. Since 1999, Board policy allowed institutions to charge special tuition rates for online courses and programs. This resulted in tuition variation for online courses across the system. In many instances, the price point of online courses resulted in a cost increase for in-state students. The Chancellor convened a committee to review the online tuition rate structure with the goal of making a recommendation to leadership regarding a new online tuition structure. The study included four broad areas of cost analysis: course and faculty development; technology and infrastructure; support services and; administrative services.

Methodology

At Kennesaw State University (KSU), we quickly learned that no single entity collected the required data at the necessary level of specificity. Resultantly, the Director and the Business Manager of the Office of Technology Enhanced Learning (TEL) held multiple meetings with 27 different units across campus to obtain the needed data. Most meetings occurred in person, while some data were provided via email for smaller units with fewer costs associated with online learning.

A deliberate and methodical data collection process ensued which yielded consistency in the type of data collected and how it was represented. It also allowed for open dialogue with the units supporting distance learning. All data provided were entered individually into the appropriate categories in the excel file (course and faculty development; technology and infrastructure; support services and; administrative services). Once all data were obtained and entered, the Director and the Business Manager of TEL re-reviewed each entry to determine the appropriateness of including the cost in the study. From the first iteration to the final draft, many items were eliminated as extraneous to the cost study. Critical to the accuracy of the study was to maintain a focus on true costs related to distance learning, not merely expenditures.

Implications for Higher Education

By examining the cost of online education, through a large-scale data driven study, we were able to determine if we were truly meeting the needs of students, using our resources judiciously, and serving those who wished to pursue online education in the most accessible way.

The result was an average cost of $43 per credit hour cost to deliver online education and a system-wide awareness that not all institutions are able to offer the same level of support. A shared-services solution began to take shape and continues to be developed statewide. The study yielded many positive and some unintended outcomes. Many lessons were learned through the cost study, data collection, and analysis. We will discuss these and other highly politicized conversations around "affordability" in the presentation.

At the conclusion of the study, it was clear that leaders in higher education must be able to understand, articulate, and communicate, the cost of online education, as well as the methodology for collecting cost data. Second, as part of a larger approach, higher education leaders must explore efficiencies that may exist on their own campus as a result of a cost study. These efficiencies, once identified, can be managed across a campus, or across an entire university system, thus reducing costs for students. Finally, it is important to analyze the implications, both intended and unintended, of a cost study on the university and on student affordability.

The subsequent 50% reduction of eTuition over year one, and a full elimination of eTuition in year two, will have significant implications for the 26 institutions across the USG. The reduction, and ultimate elimination of eTuition, will inevitably change online education on these campuses, as well as affect other services that were provided to students though eTuition revenue. For example, at

Kennesaw State University, the cost study revealed that the Office of Distance Learning was paying for, and thus subsidizing, significant student services for all students at KSU, not just online students. In the absence of eTuition, we will have to find creative way to continue to ensure online course and program quality in the likelihood that we will no longer be able to support monetarily faculty stipends for those whose online courses become QM certified.

Several efficiencies and cost reducing measures existed on our campus that were illuminated through the cost study. Table 1 contains a list of shared services that KSU is already providing to the USG and Table 2 indicates services that KSU could share with other USG institutions in the future. The majority of the shared services identified center around professional development, web accessibility, and the utilization of space for online recordings and/or meetings.

Table 1. Shared Services Kennesaw State University Currently Offers to the USG:

Service	Description
Quality Matters "Independently Applying the QM Rubric (APPQMR) Workshop"	Twice per year since 2014, the Center for Excellence in Teaching and Learning provides the Quality Matters "Independently Applying the QM Rubric (APPQMR) Workshop" to faculty and staff from other USG institutions.
Closed captioning editing system using Kaltura MediaSpace.	The KSU Distance Learning Center and Learning Technologies, Training and Audiovisual Outreach Department worked with vendors Kaltura and Ceilo24 to create a custom editor that allows faculty, instructional designers, and vendor representatives to edit caption files inside of KSU's MediaSpace. This new editing system is now available to all USG schools using Kaltura MediaSpace.

Table 2. Shared Services Kennesaw State University Can Offer the USG Immediately:

Service	Description
TADL	The Teaching Academy for Distance Learning (TADL) delivered in a MOOC format via Coursera. This workshop helps faculty develop the competencies necessary for designing, developing, and delivering an online course.
OCFP	The Online Course Facilitation Program (OCFP) delivered in a MOOC format via Coursera. This workshop provides faculty with the necessary competencies to facilitate an online course by balancing both technical and pedagogical aspects.
Recording Studio	The DLC Production Studio features HD video production with three available backgrounds, including chroma-key. Can assist with online course video production and promotional video production.
Media Recording Booth	Experience the quality of a professional recording studio combined with a comfortable atmosphere for recording your content. With the post-production assistance of a Digital Media Specialist, you can produce cutting-edge, web-based content that engages and inspires your students. The MRB is the best choice for recording your DocSoft Speaker Profile.
Innovation Lab	The DLC houses a multimedia lecture-capture classroom and training facility containing 18 student spaces (one wheelchair accessible), a state-of-the-art instructor station, and three large wall monitors surrounding the room. A first floor location and step-less entry provides a comfortable setting. Participants must bring their own laptops.
CETL EOF	This workshop explores the various components of effective facilitation. Topics include providing effective feedback, creating a sense of community, strategizing time management practices, and ensuring instructor presence in an online course. This workshop would be appropriate for anyone getting ready to facilitate an online course or in the beginning stages of doing so.
CETL OCD	The Center for Excellence in Teaching and Learning's (CETL) Online Course Development workshop is one possible pathway for faculty to earn online teaching certification. The purpose of the OCD workshop is to explore the basics of online pedagogy, effective practices for online course design and delivery, and introduce the Quality Matters (QM) Rubric for Online and Hybrid Courses, which provides a framework for designing, improving, and delivering online courses.
Web Accessibility	The "Faculty Four of Accessible Development" workshop provides faculty with training in the four primary areas that they need to ensure that their courses are accessible and meet Federal Guidelines.
Research based instructional videos	Video and links to best practices in online teaching pedagogy.

Conclusion

College tuition costs continue to rise and the average in-state tuition and fees are almost $10,000 at public universities (The Chronicle of Higher Education, 2017). College affordability is a conversation that is now wrapped within political conversations, the national economic landscape, as well as among employers looking for a skilled workforce. A majority of public universities identify themselves as "extremely tuition dependent" (The Chronicle of Higher Education, 2017, p. 8) especially in a culture of decreased state formula funding. While college affordability is a worthwhile goal, there are often unintended consequences borne out of the desire to reduce student costs. One issue that remains at the forefront of the affordability conversation is *can we sustain high quality online courses and programs and achieve student affordability at the same time*?

While the USG eTuition Cost Study was labor intensive, it provided great insight into how our resources generated from eTuition were being used. At Kennesaw State University, we identified several areas where eTuition was, in fact, supporting campus based students by covering costs, especially of software and technologies, used by all students. The ultimate outcome of the cost study for KSU was providing a methodical better understanding of how to determine the cost of online education on our campus, and how the messaging around cost and affordability can affect the delivery of high quality online courses and programs.

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Back to the Online Journal of Distance Learning Administration Contents