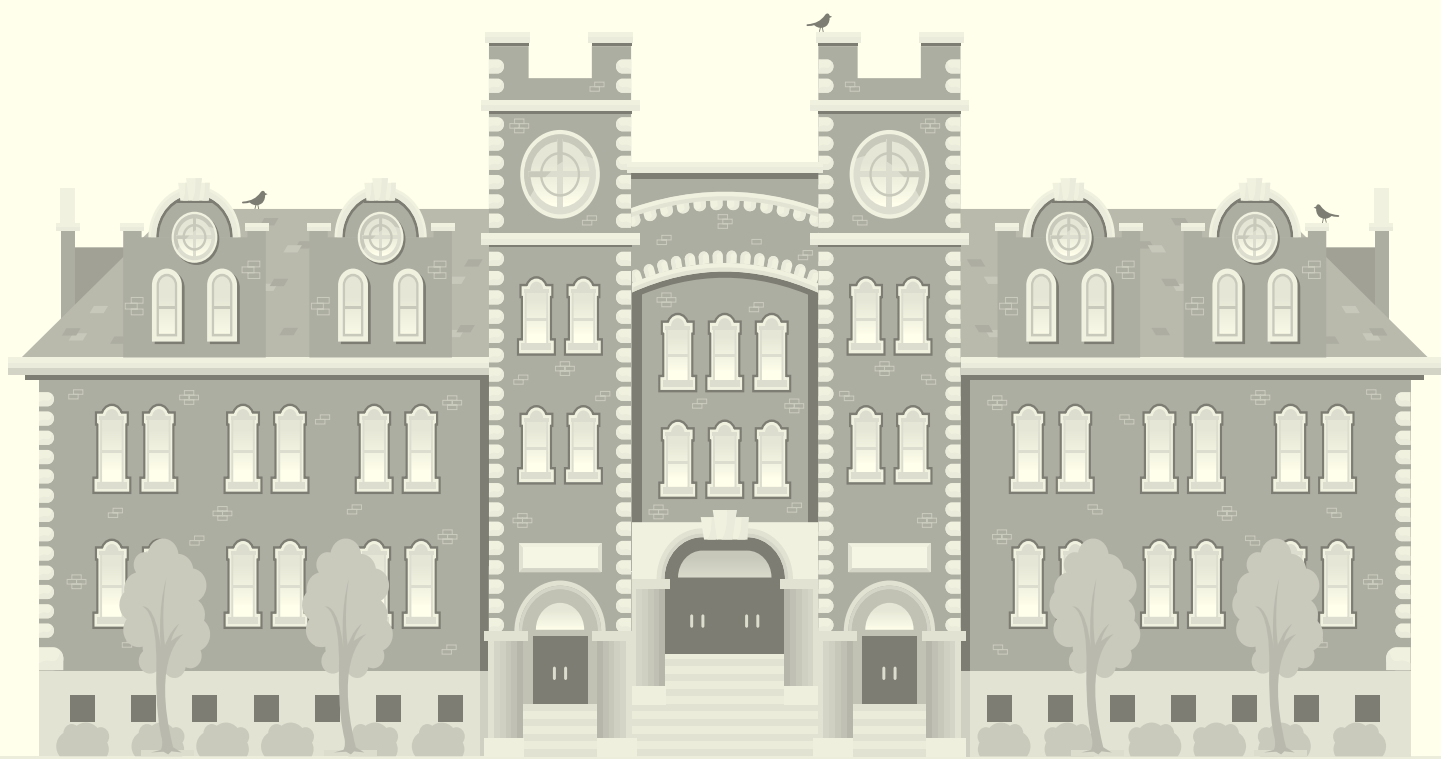


# Online Learning at Private Colleges and Universities:

*A Survey of Chief Academic Officers*



# Online Learning at Private Colleges and Universities:

## A Survey of Chief Academic Officers

*David L. Clinefelter, Chief Academic Officer, The Learning House, Inc.*  
*Andrew J. Magda, Manager of Market Research, The Learning House, Inc.*

The following representatives of the Council of Independent Colleges served as an advisory board for the design and administration of the survey questionnaire.

Gregg Cox, Vice President for Academic Affairs, Lynn University  
Michael Fischer, Provost and Vice President for Academic Affairs,  
St. Bonaventure University  
Harold V. Hartley III, Senior Vice President, Council of  
Independent Colleges  
Christopher L. Holoman, Provost and Vice President for Academic  
Affairs, Hilbert College  
Donald B. Taylor, Provost and Vice President for Academic Affairs,  
Benedictine University (IL)

### **Suggested Citation:**

Clinefelter, D. L. & Magda, A.J. (2013). *Online learning at private colleges and universities: A survey of Chief Academic Officers*. Louisville, KY: The Learning House, Inc.

October, 2013

Copyright ©2013 by The Learning House, Inc.  
All rights reserved. Published 2013.

## Table of Contents

---

<b>Introduction</b>	<b>3</b>
Respondent Classifications	4
Accompanying Research	4
<b>Key Findings</b>	<b>5</b>
<b>Experience: How many online programs are offered?</b>	<b>7</b>
Public Universities Lead in Offering Online Programs	7
<b>Infrastructure: How are institutions organized to deliver online programs?</b>	<b>8</b>
Online Administration	8
Source of Services for Online Programs	9
Exemplary Online Services	10
Online Instruction Responsibilities	11
Faculty Compensation for Online Activities	11
Transcript Notations	12
Online Technology Use in On-Ground Classes	12
<b>Impact: How is online shaping institutions?</b>	<b>13</b>
Barriers Encountered While Delivering Online Education	13
Greatest Challenges in Serving Online Students	14
Outcomes from Offering Online or Hybrid Learning	15
Impact of Online Learning on On-Ground Courses	16
Online Enrollment Trends	17
<b>Finances: How is online delivery affecting finances?</b>	<b>18</b>
Governance Models	18
Collaboration with Other Institutions to Deliver Online Courses	18
Budget Models	19
Tuition and Fees	20
Online Revenue	21
<b>Programs: What programs are offered?</b>	<b>22</b>
Fields of Study Offered Online	22
Term Length	24
Restrictions on Residential Enrollment in Online Courses	25
Online Courses Specifically for Residential Students	25
Tracking Hours and Determining Credit for Online Courses	26
<b>Marketing: How are online students attracted?</b>	<b>27</b>
Geographic Targeting	27
<b>On the Horizon: What are future plans for online learning?</b>	<b>28</b>
The Future of Online	28
The Role CIC Can Play	29
<b>Recommendations</b>	<b>30</b>
Online Program Development Lifecycle	30
Improving Delivery of Online Programs	32
<b>Methodology</b>	<b>34</b>
CIC Institutions with No Online or Hybrid Courses or Programs	35
<b>Partners</b>	<b>36</b>
Authors	36
<b>References</b>	<b>37</b>

## Introduction

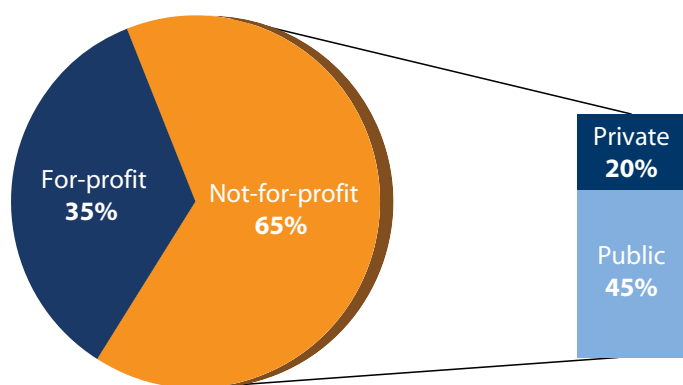
---

It is estimated that 3 million college students (14 percent) are enrolled in fully online programs (Eduventures, 2012) while 30 percent take at least one online class (Allen and Seaman, 2013). While overall enrollments have been stagnant the past two years, online enrollments are still growing rapidly. In a relatively short period of time (15 to 20 years), the U.S. higher education system has created an alternative path to a college degree, and students are increasingly taking advantage of it. This includes growing numbers of 18 to 24 year-olds (traditional-aged college students) who bypass the campus altogether or, in many cases, live on campus but attend some classes online. The capacity of this new higher education system is virtually unlimited and can accommodate increasing numbers of students without worry over the number of classroom seats or dormitory rooms.

Technology has enabled students and faculty members to learn and teach online. Faculty members have learned how to use the technology and how to adapt their courses to online delivery; librarians, bookstore managers, tutors and advisors have learned how to provide services to remote students who never come to campus; and chairs, deans, and provosts have learned how to develop and market online programs and how to lead faculty members who live elsewhere.

Private colleges and universities have each responded differently to this technology. Some have rejected it as contrary to their mission to provide personalized, intimate learning environments, while others have embraced the technology with an entrepreneurial spirit. Nearly 20 years ago, many of the pioneers in online learning were private colleges and universities. Regis University, Saint Leo University, Park University, and others experimented with serving students at a distance, and online programs were a natural evolution. Today, about 20 percent of students enrolled in fully online programs attend a private college or university, while approximately 35 percent attend a for-profit institution and another 45 percent attend a public university (Aslanian and Clinefelter, 2013).

### *Type of Institution Chosen by Online Students*



Source: *Online College Students 2013*

This report summarizes the findings of a survey of chief academic officers of small and mid-sized private colleges and universities, all members of the Council of Independent Colleges (CIC). It includes information about how these institutions have organized services to accommodate online students, the barriers they had to overcome, the impact on the institutions, finances, and plans for the near future. CIC is eager to learn about the use of online instruction among its member institutions and

is grateful to the Learning House for conducting the survey and preparing this report. The findings are intended to be instructive to CIC member institutions as they seek to determine whether or how best to adopt online instruction in ways that are consistent with their missions and educational philosophies.

## Respondent Classifications

These data were analyzed with cross tabulations for institutional size, level of online programming, and percentage of students admitted. To determine size, institutions were grouped by enrollment in the following categories:

<i>Size of Institution Categories</i>	
<b>Small</b>	Fewer than 750 students
<b>Medium</b>	750–1,499
<b>Large</b>	1,500–2,250
<b>Very Large</b>	More than 2,250

Ten percent of the schools interviewed had no online or hybrid classes or programs and no plans to begin offering such classes or programs. Those schools were not included in the data. Of the schools that either did offer online classes and programs or planned to, they were grouped into the following categories:

<i>Number of Online Programs Categories</i>	
<b>Extensive</b>	5 or more fully online programs
<b>Intermediate</b>	1-4 fully online programs
<b>Limited</b>	No fully online programs but plan to add at least 1 in the next 1-2 years

For percentage of students admitted, institutions were grouped into the following categories:

<i>Percentage of Students Admitted Categories</i>	
<b>Very Selective</b>	Fewer than 50 percent admitted
<b>Selective</b>	50-75 percent
<b>Non-Selective</b>	76-85 percent
<b>Open</b>	More than 85 percent admitted

In some instances, there were meaningful differences based on the size of the institution; these are noted in the text of the report. There were a number of significant differences in responses based on the level of online programming. A number of tables showing the cross tabulations by level of online programming are included in the report. There were few significant differences based on the percentage of students admitted, so no cross tabulations are included.

## Accompanying Research

A companion survey with many of the same questions was also administered to chief academic officers whose institutions are members of the American Association of State Colleges and Universities (AASCU). These institutions are all public, four-year universities. Some of the key differences between the public and private institutions are included in this report.

For the past two years, Learning House and Aslanian Market Research have conducted a survey of 1,500 students who were enrolled, are enrolled or are considering enrolling in fully online programs: "Online College Students 2012: Comprehensive Data on Demands and Preferences," and "Online College Students 2013: Comprehensive Data on Demands and Preferences." These surveys provide a student viewpoint on some issues examined in this survey. On occasion, data from those surveys are referenced in this report.

## Key Findings

---

### Number of Online Programs

Approximately half of CIC member institutions do not offer any fully online programs and approximately 10 percent do not offer a single hybrid or online course; this stands in stark contrast to public institutions, where more than 80 percent of AASCU members offer at least one fully online program and nearly half offer five or more fully online programs.

### Central Leadership

As institutions add online programs, online-focused staff become centralized to more easily coordinate the development and operation of these new programs. The greater the number of online programs, the more this becomes common, as does the appointment of a senior administrator for online learning.

### Distributed Services

If a CIC member institution has a central online unit, it is most likely providing instructional design and faculty development and training. Learning management system (LMS) hosting and technical support are most likely to be outsourced. The traditional campus departments are most likely responsible for the marketing, enrollment management, retention and advising services for online programs.

### Faculty Staffing

Full-time faculty members are the most likely group to instruct online at CIC institutions, either as part of their regular load or as overload. Part-time faculty are also common, while the least likely group to teach online is full-time faculty who only teach online.

### Faculty Compensation

Two-thirds of CIC institutions offer additional faculty compensation for the development of online courses, but less than one-third do so for the instruction of online classes.

### Technology Use in the On-Ground Classroom

Faculty members do not appear to use an LMS in the on-ground classroom, as nearly one-third of all on-ground courses are not using an LMS at all.

### Barriers

The vast majority of CIC members report the lack of discipline for online students to succeed as a barrier still experienced. Intermediate and Limited online institutions also experience significant faculty member barriers, such as lack of acceptance of online learning and concerns over the time commitment needed to instruct online.

### Positive Outcomes

Extensive online institutions were more likely to report positive outcomes in the areas of expanding student access and increasing the footprint of their institution's brand, as well as seeing enrollment and revenue growth.

### Central Budgeting

A "central" budget model—in which all revenue is returned to the institution and expenses are handled through the regular budgeting process—is the most common at CIC institutions. Few use a model in which the online unit is able to retain a portion of the revenue it generates.

### **Tuition and Fees**

Although the majority of CIC institutions charge a similar tuition amount for their residential courses as they do for their online courses, nearly one-third charge a lower tuition for their online courses, demonstrating a cost savings for online.

### **Revenue Generation**

The majority of CIC members with online courses or programs are generating revenue, and nearly 20 percent are generating more than \$1 million total. Tracking of online revenue is a challenge for one-third of CIC members.

### **Fields of Study**

The most common fields of online study at the undergraduate level are business, health-related professions, psychology/counseling and criminal justice/paralegal studies. At the graduate level, business remains the most frequently offered program, followed by education and health-related professions.

### **Term Length**

More than 60 percent of CIC members offer their online courses in terms of 12 weeks or less (in contrast to AASCU members, which are more likely to use a traditional academic calendar for their online courses).

### **National and International Marketing**

Nearly half of institutions with fully online programs market one or more of their online programs nationally, but only 10 percent market one or more of their online programs internationally.

### **Future Plans**

Increasing international enrollments and adding hybrid graduate programs are the top plans for online learning at CIC institutions in the next one or two years.

### **Help from CIC**

There is a strong desire for CIC to provide members with guidance around the regulatory environment that surrounds online learning as well as provide opportunities to learn from peers within the organization, such as through executive-level sharing of models and experiences.

### **Recommendations**

Based on the data gathered and interviews with some Chief Academic Officers of CIC member institutions, we developed the following recommendations for improving delivery of online programs.

- Hire an online leader and appropriate staff
- Educate and incentivize faculty to teach online
- Revise policies and procedures to accommodate online faculty
- Use good accounting and budgeting practices
- Expand offerings
- Save national and international marketing dollars for niche programs
- Accept all legitimate credit
- Invest in outcomes
- Synthesize online and on-ground processes for a consistent student experience

## Experience: How many online programs are offered?

Approximately half of the CIC member institutions are in the Limited category, while slightly more than one-third are Intermediate category and 15 percent are in the Extensive category. Significantly fewer of the Small institutions are in the Extensive category, while significantly more of Very Large institutions are. Correspondingly, more Small institutions fall into the Limited category than any other size institution. As enrollment grows, so does the likelihood of online programming.

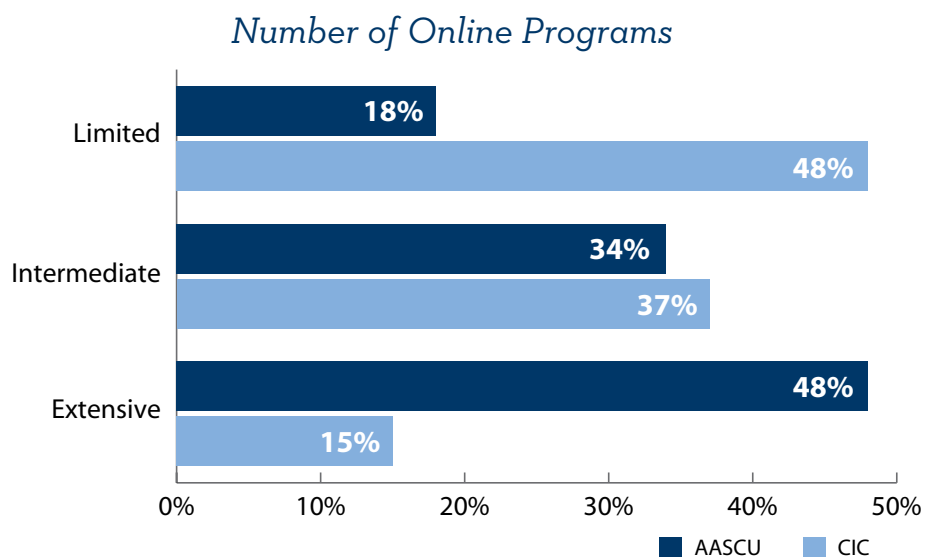
<i>Online programs by institutional size</i>	<b>&lt;750 students</b>	<b>750 to 1,499</b>	<b>1,500 to 2,250</b>	<b>&gt;2,250</b>	<b>Total</b>
Extensive	3%	13%	16%	24%	15%
Intermediate	41	36	40	32	37
Limited	56	51	44	44	48

There are few differences in the number of online programs based on selectivity. Fifty-six percent of Very Selective institutions are in the Limited category, while 44 percent of the Open institutions are in the Limited category. Significantly more Open institutions are in the Intermediate category. There does not appear to be a correlation between selectivity of enrollment and the number of online programs offered.

<i>Online programs by institutional selectivity</i>	<b>&lt;50 percent</b>	<b>50 to 75 percent</b>	<b>76 to 85 percent</b>	<b>&gt;85 percent</b>	<b>Total</b>
Extensive	9%	17%	12%	6%	14%
Intermediate	34	35	41	50	38
Limited	56	48	47	44	49

### Public Universities Lead in Offering Online Programs

Fifteen percent of CIC institutions are in the Extensive category. By contrast, almost half of AASCU institutions are in the Extensive category. Public universities have been quicker to embrace online learning, which likely contributes to the public institutions representing more than double the number of online students.



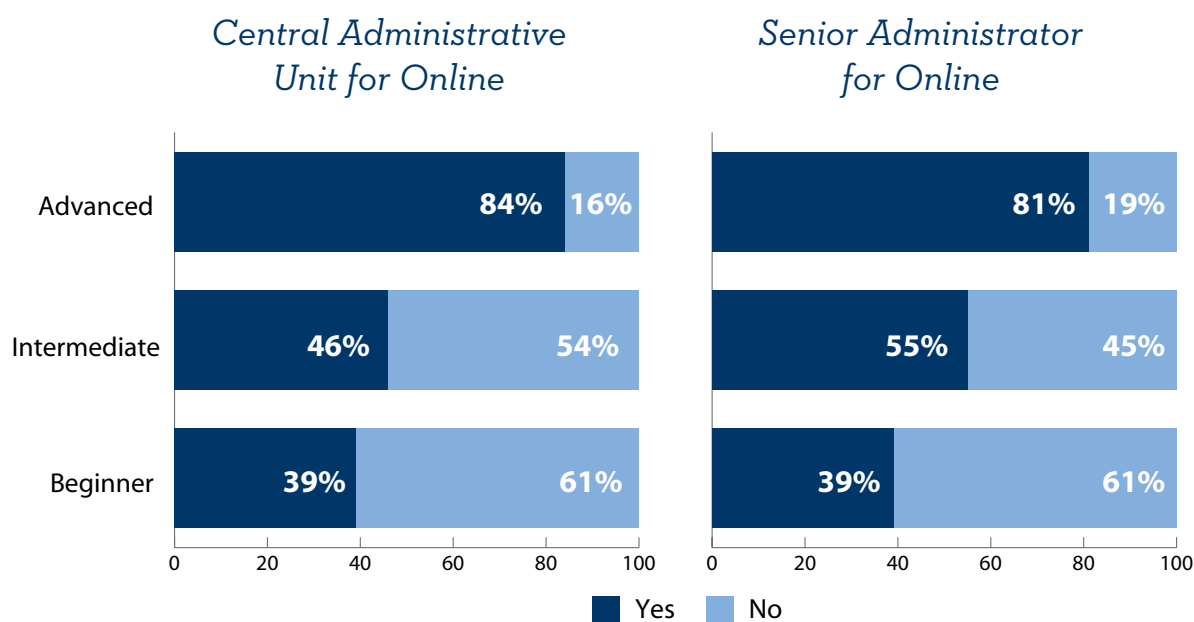


## Infrastructure: How are institutions organized to deliver online programs?

### Online Administration

Nearly half of institutions report having an administrative unit (48 percent) dedicated to managing online education initiatives, with 58 percent reporting that a senior administrator is responsible for online operations.

As the number of online programs grows at an institution, it is more common for a central administrative unit to be established and a senior administrator who is responsible for the online operations at the institution to be designated.



## Source of Services for Online Programs

Services for online programs are most often provided through the traditional unit; however, instructional design and faculty development and training are most often delivered via a central online unit. The most common services outsourced to vendors are LMS hosting and technical support.

Surprisingly, Extensive institutions are more likely to have a traditional unit handle the marketing of their online programs (77 percent) compared to Intermediate institutions (58 percent). Extensive institutions also are more likely to centralize instructional design services under a central online unit (86 percent) compared to Intermediate institutions (66 percent).

<b>Division of Responsibilities for Online Programs</b>	<b>Traditional Administrative Unit</b>	<b>Central Online Unit</b>	<b>Distributed</b>	<b>Outsourced</b>	<b>Not Offered</b>
Enrollment management	71%	26%	22%	23%	14%
Academic advising	65	35	44	7	9
Marketing	63	22	33	34	16
Student retention and support	63	32	39	15	14
Bookstore	62	23	16	35	16
Tutoring	56	17	34	19	26
Faculty development	50	61	40	19	7
Instructional design	45	67	33	28	10
Orientation	44	59	31	11	18
LMS hosting	39	30	13	61	6
24/7 technical support	26	21	8	59	46
Ombudsperson	23	14	2	1	77

*NOTE: For many of the categories, the responses sum to more than 100 percent, indicating that the service is provided from multiple sources.*

## Exemplary Online Services

CIC institutions are most proud of their instructional design and faculty development and would self-identify these services as exemplary. AASCU institutions self-identified those same services as exemplary; clearly, colleges and universities remain focused on providing students with a high-quality learning experience.

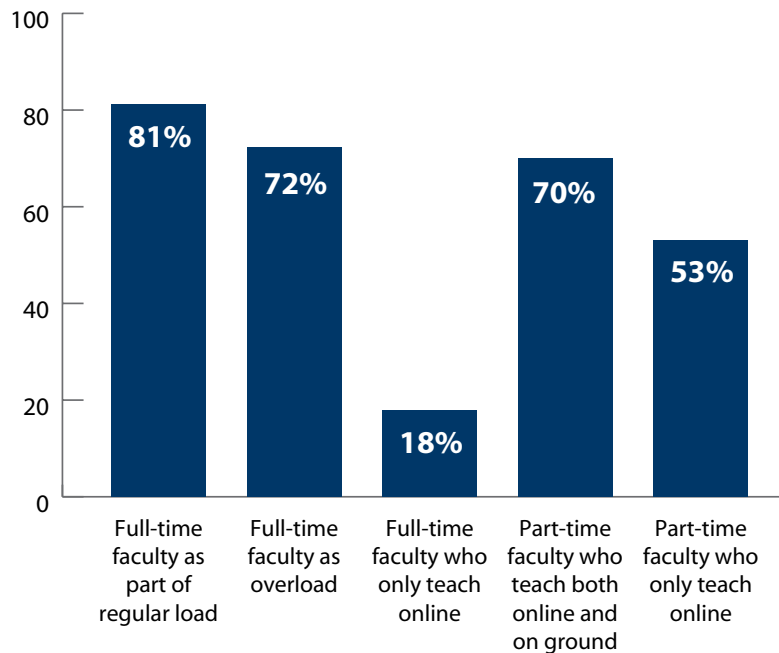
### *Services Identified as Exemplary by CIC Institutions*

Instructional design	63%
Faculty development and training	58
Student retention and support	27
Academic advising	23
Orientation	22
Enrollment management	16
24/7 technical support	14
LMS hosting	13
Marketing	11
Bookstore	8
Tutoring	6
Ombudsperson	2

## Online Instruction Responsibilities

More than 80 percent of institutions said that full-time faculty members teach online as part of their regular course load. Almost three-quarters said full-time faculty members teach online as overload, and 70 percent said part-time faculty members teach both online and on ground. The least common group was full-time faculty members who only teach online. In contrast, 32 percent of AASCU universities reported having full-time faculty who only teach online.

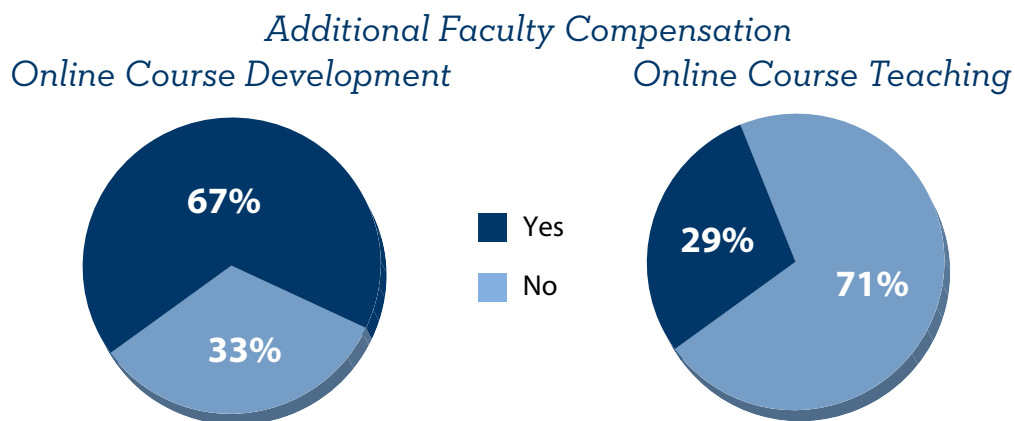
*Providers of Instruction for Online Classes*



*NOTE: Respondents could choose multiple categories.*

## Faculty Compensation for Online Activities

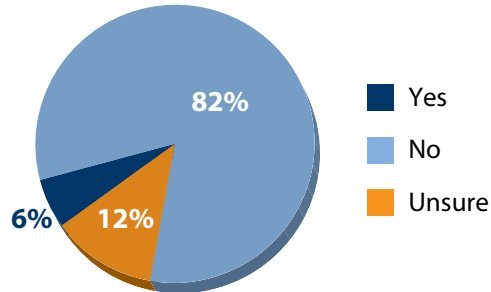
The majority of institutions offered faculty extra compensation for developing online courses, but a significantly smaller percentage provided additional compensation for teaching online courses.



## Transcript Notations

The majority of respondent institutions reported that they do not note on the student’s transcript whether a course was delivered online. Only six percent of institutions make such notations on student transcripts.

*Transcript Notations for Online Courses*



## Online Technology Use in On-Ground Classes

A majority of respondents use an LMS in more than 50 percent of on-ground classes, but the technology does not change the number of face-to-face meetings. This indicates the technology is used to supplement on-ground courses, perhaps through submitting assignments or sharing supplemental materials. A majority of respondents also said that fewer than 10 percent of their classes used technology either completely online or to reduce the number of face-to-face meetings; when embraced, it seems, an LMS is helpful, but there still remains reluctance to use the technology.

<b>Percentage of Classes Using Online Learning Technology</b>	<b>&lt; 10 percent</b>	<b>10 to 25 percent</b>	<b>26 to 50 percent</b>	<b>&gt; 50 percent</b>
No LMS	49%	29%	16%	16%
LMS used; no change in number of face-to-face meetings	18	11	20	51
LMS used, with reduction in number of face-to-face meetings	56	34	7	3
100 percent of class content delivered online	52	33	7	8

## Impact: How is online shaping institutions?

### Barriers Encountered While Delivering Online Education

Students' lack of discipline to succeed in online courses appears to be the most significant barrier still faced by responding institutions, with 70 percent reporting that they are still experiencing this problem. More than half of institutions are still dealing with the greater amount of faculty time and effort required to teach online and a lack of acceptance of online instruction by faculty. The ownership of intellectual property was a barrier in the past; almost half of the institutions surveyed, however, report having overcome that barrier.

More than half of Extensive institutions overcame or did not experience all of the listed barriers except "students needing more discipline" (66 percent are still experiencing this barrier). Among Intermediate and Limited institutions, more than 60 percent cite faculty acceptance of online learning and the greater amount of faculty time needed to instruct online as barriers they are still experiencing. Conversely, only about one-third of Extensive institutions report still experiencing these barriers with faculty members.

<i>Barriers with Online Courses</i>	<b>Experienced at Any Point</b>	<b>Still Experience</b>	<b>Overcame</b>	<b>Did Not Experience</b>
Greater faculty time and effort is required to teach online	86%	59%	27%	14%
A lack of acceptance of online instruction by faculty	86	58	28	15
Students need more discipline to succeed	80	69	11	20
Online courses cost more to develop	71	28	29	29
Ownership of intellectual property	67	38	43	34
Online courses cost more to deliver	46	27	19	54

## Greatest Challenges in Serving Online Students

The most commonly reported challenge was the training and recruiting of faculty to teach online, followed by demands for off-hour services by online students, verifying student identity, and measuring outcomes. Respondents indicated other challenges that were not listed in the question, including:

- Marketing
- Defining the online student
- Remaining competitive in an increasingly online market
- Getting funding for online student support/advising
- Keeping up with and sustaining high growth
- Maintaining quality and consistency across sections and comparable to face-to-face classes
- Convincing faculty of the importance of teaching online
- Complying with state authorization and the associated costs

Challenges differ by the number of online programs offered. Extensive institutions reported that the greatest challenges they face are offering off-hour services and retaining students (50 percent for both), while only 25 percent of Intermediate and Limited institutions identified off-hour services as their biggest challenge. Instead, Intermediate and Limited institutions said their biggest challenge was recruiting and training online faculty—an interesting statement, given that faculty development and training was ranked second on the list of self-identified exemplary services.

<b><i>Challenges Serving Online Students</i></b>	<b>Percent</b>
Training and recruiting faculty to teach online	57%
Demands for off-hour services	30
Verifying student identity	29
Measuring outcomes	28
Retaining students	23
Maintaining the Learning Management System and related technology	23
Providing access to campus services such as Library, Registrar, and Bursar	21
Identifying students in need of special services	21
Providing special services to students in need	21
Detecting plagiarism	14
Other	13

## Outcomes from Offering Online or Hybrid Learning

CIC institutions have been able to increase student access, enrollment, revenue and service area from their adoption of online and hybrid learning. While students seem to be expressing more interest in online or hybrid learning, it is not having an impact on faculty members. The least frequently reported outcomes were increased faculty recruitment and retention, enhanced alumni outreach, and increased strategic partnerships with other institutions.

Extensive CIC institutions were more likely to have increased student access, attracted students from outside the traditional service area, increased enrollment, and increased revenue from the use of online or hybrid courses.

<b><i>Outcomes from Online or Hybrid Learning</i></b>	<b>Percent</b>
Increased student access	74%
Increased enrollment	60
Increased revenue	59
Attracted students from outside the traditional service area	57
Growth continuing and/or professional education	49
Provided pedagogic improvements	46
Enhanced value of university brand	40
Strengthened academic continuity in case of disaster	22
Shifted enrollment from ground to online	20
Increased the diversity of the student body	18
Reduced or contained costs	17
Increased rate of degree completion	16
Improved enrollment management responsiveness	13
Improved student retention	12
Optimized physical plant utilization	11
Increased strategic partnerships with other institutions	9
Enhanced alumni and donor outreach	6
Increased faculty recruitment and retention	4



## Impact of Online Learning on On-Ground Courses

The introduction of new pedagogy or technology in on-ground courses is by far the most common impact online courses and programs have had, with more than three-quarters of institutions reporting this effect. Increased revenue is the second most commonly reported impact, with almost half of schools reporting this. Also topping the list were attracting traditional students from on-ground to online courses and increasing the ability to offer more course sections. Respondents suggested other effects that were not listed in the question, including:

- Continuation of education in the event of emergencies and school closings
- Consolidation of small on-ground courses in adult programs
- Improved academic engagement
- Opportunity to engage faculty in development activities
- Relieved pressure on physical buildings and space
- Improved retention of students during summer sessions

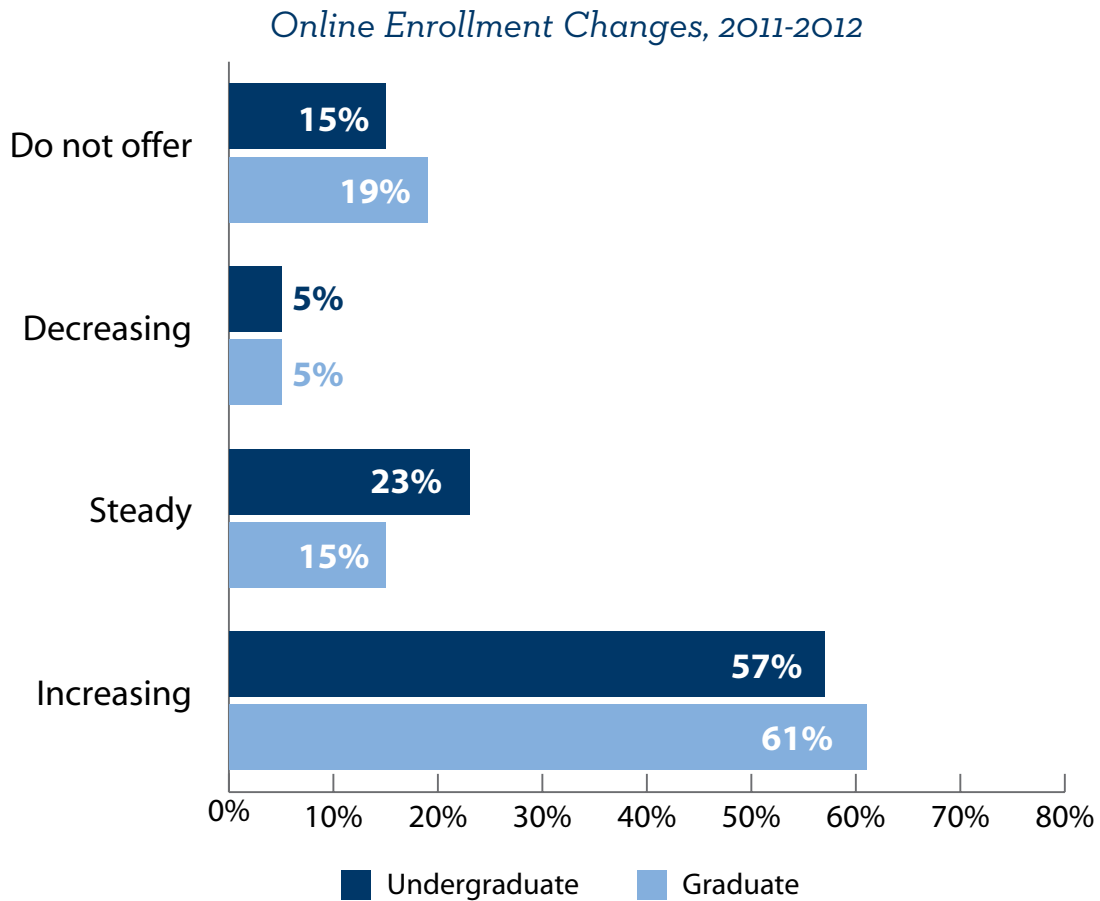
Extensive institutions feel these effects more strongly. Almost all Extensive institutions (90 percent) report introducing new pedagogy or technology to on-ground classes, and 65 percent report increased revenue from their face-to-face programming as a result of their online learning efforts.

<b><i>Impact of Online Courses on On-Ground Learning</i></b>	<b>Percent</b>
Introduced new pedagogy or technology in on-ground courses	77%
Increased revenue	48
Attracted “traditional” students from on-ground to online courses	42
Increased ability to conduct more course sections	40
Faculty are becoming entrepreneurial	31
Some departments/units feel “left out”	10
Increased enrollment in on-ground courses due to improved reach of brand	7
Other	8

## Online Enrollment Trends

Respondent colleges reported that online enrollment was increasing at both the undergraduate and graduate levels from 2011-2012. Only 5 percent of institutions reported a decrease in online enrollment. The mean reported full-time enrollment (FTE) for online students was 445, with a reported 175 students whose studies were entirely online.

Seventy-two percent of Extensive institutions report online enrollments increasing at the undergraduate level and 75 percent report growth at the graduate level.



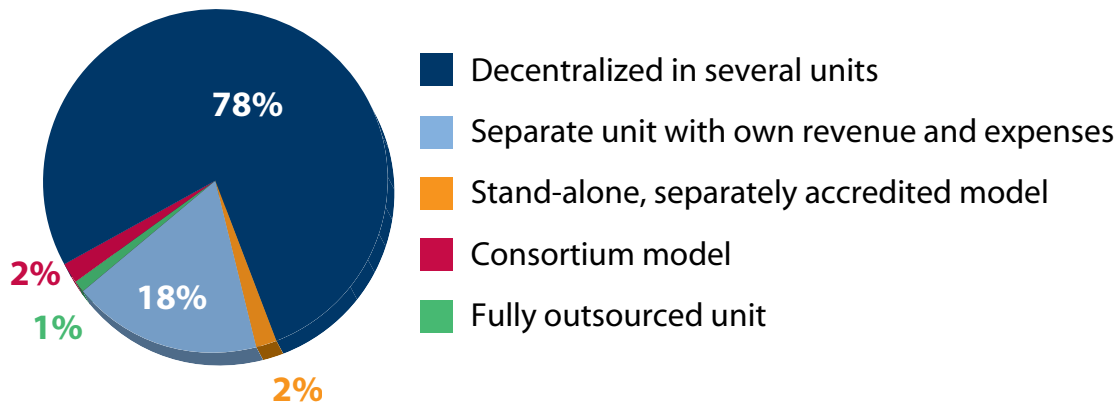
## Finances: How is online delivery affecting finances?

---

### Governance Models

More than three-quarters of respondents use a decentralized governance model for online courses and programs, with complementary responsibilities, such as course development, marketing and scheduling, spread across several departments. While the next most common option was the governance model of a separate unit with its own revenue and expenses, it was significantly less popular.

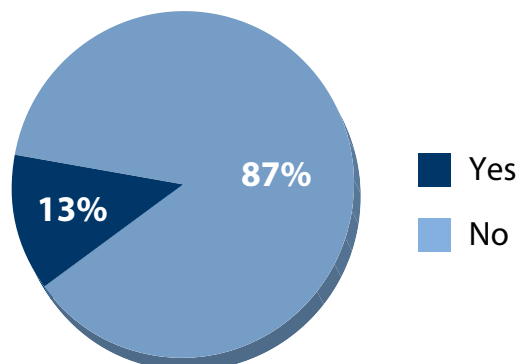
*Governance Model Used to Manage Online or Hybrid Offerings*



### Collaboration With Other Institutions to Deliver Online Courses

Most private institutions reported that they do not collaborate with other higher education institutions in delivering online courses. In contrast, 40 percent of AASCU institutions report collaborating with other institutions on online learning.

*Collaboration with Other Institutions to Deliver Online Courses*

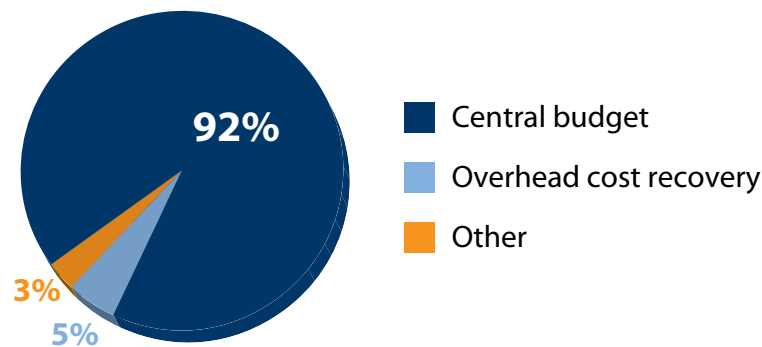


## Budget Models

More than 90 percent of institutions use a central budgeting model; this model requires all revenue to be returned to the central administration and expenses are allocated through a regular budget process. This can give rise to high levels of frustration for academic unit leaders who grow online enrollment in their programs but can't secure the funding to sustain or maintain them. Less than 10 percent of colleges reported an overhead cost recovery model, where separate units are allowed to retain revenue generated from online offerings, or budget models other than central budget and overhead cost recovery model. Other types of budget models included:

- **Blended model.** Model is built via recovery method and tracked monthly, but the actual budget is built and revenue posted via the traditional centralized budget process.
- **Mixed model.** Some monies kept within department; others to general university funds.
- **Split model.** Revenue is split after expenses between academic affairs and the institution.

*Budget Model Used to Manage Online or Hybrid Offerings*



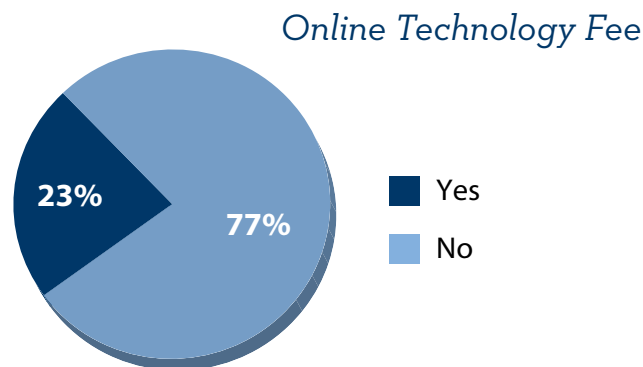
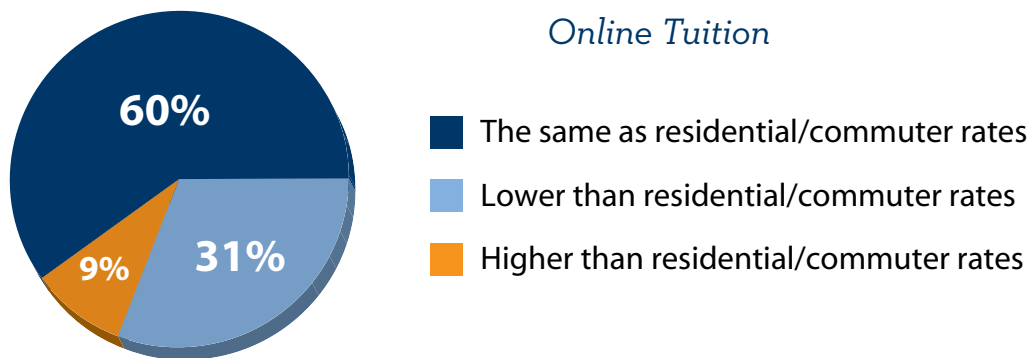
## Tuition and Fees

Tuition was generally the same for online and on-ground students, with 60 percent of institutions reporting equality in tuition. Almost one-third reported lower rates for online students, with only 9 percent reporting higher rates for online students. This is in contrast to AASCU institutions, where more than one-quarter reported charging a higher tuition rate for online courses/programs, compared with the residential tuition rate.

Twenty-three percent of institutions reported charging a technology fee for online courses. Technology fees ranged from \$15 to \$58 per credit hour.

These trends become even more pronounced in Extensive institutions. Forty-seven percent of Extensive CIC institutions report the tuition they charge for their online courses is lower than their residential/commuter tuition. Additionally, two-thirds of Extensive institutions do not charge a technology fee for these courses.

Fifty-five percent of Intermediate institutions and 77 percent of Limited institutions charge the same rate for their face-to-face and online courses.

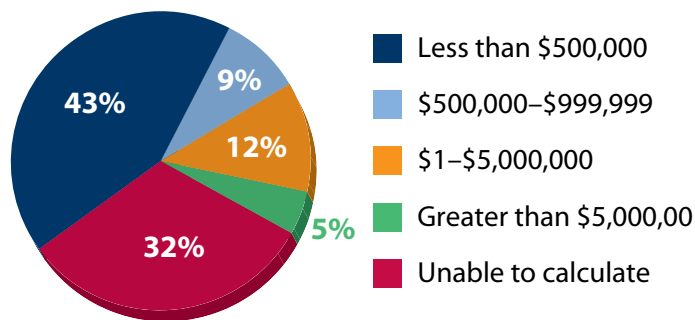


## Online Revenue

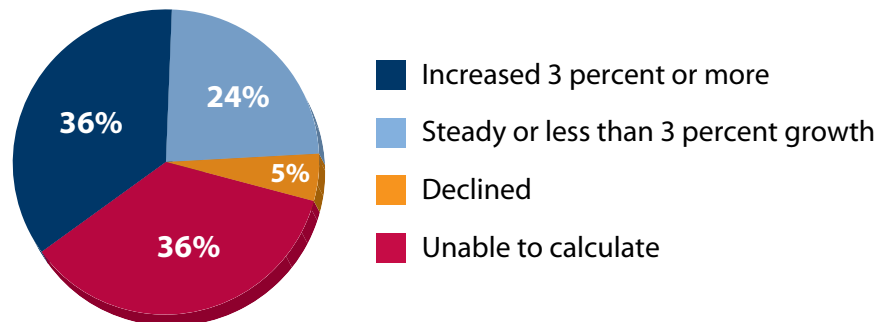
Almost one-third of responding institutions were unable to calculate the total revenue from online courses for the 2011–2012 academic year. Forty-three percent reported revenue of less than \$500,000. AASCU institutions appear to generate more revenue from online programs; nearly one-quarter report earning online course/program revenue between \$1 million and \$5 million.

While the revenue may be small, it is steadily growing for CIC institutions. Compared to the previous academic year, 36 percent reported a growth of 3 percent or more.

*Online Revenue for 2011-2012*



*Online Revenue Change from 2010*



## Programs: What programs are offered?

---

### Fields of Study Offered Online

Of institutions who offer at least one fully online program, the most commonly offered fully online undergraduate programs are those in the fields of business and health-related professions. At the graduate level, business and education dominate. Social sciences, STEM, and liberal arts/humanities were the least likely fields to be offered online at either the undergraduate or graduate level.

Extensive institutions were significantly more likely to offer computer science at the undergraduate level (36 percent) compared to Intermediate institutions (6 percent). The same trend held for business (82 percent versus 51 percent) and health programs (70 percent versus 43 percent) at the undergraduate levels, and also at the graduate level (82 percent versus 51 percent and 70 percent versus 43 percent, respectively).

The emphasis on business programs bodes well for CIC institutions, given the popularity of business degrees among students. According to a survey of online college students, business is by far the most common field of study desired by students for both undergraduate and graduate programs. Thirty-six percent of undergraduates enrolled in fully online programs study business and related fields, while 39 percent of graduate students do so. To place this in context, for both undergraduate and graduate fields of study, business has more than double the number of students than the second most common fields (health-related professions and information technology, respectively). (Aslanian and Clinefelter, 2013)

<b>Field of Study</b>	<b>Undergraduate</b>	<b>Graduate</b>	<b>Not Online at Either Level</b>
Business	63%	61%	34 %
Health-related professions	54	38	53
Criminal justice/paralegal studies	38	13	72
Psychology/counseling	38	11	71
Computer science	18	7	87
Liberal arts/humanities	18	11	83
Education	16	60	48
Social sciences	16	3	88
STEM	6	6	92

*NOTE: Data determined from schools who offered at least one fully online program.*

For comparison, the following table breaks down the ranking of majors taken by fully online college students, as reported in the most recent Online College Students study. (Aslanian and Clinefelter, 2013)

<b><i>Top 15 Degree Programs</i></b>	<b>Undergraduate</b>	<b>Graduate</b>
Business Administration/Management	1	1
Accounting	2	3
Information Technology	3	2
Criminal Justice/Law Enforcement	4	---
Business: Finance	5	4
Psychology: General	6	13
Graphic Design	7	---
Healthcare Administration	7	6
Nursing	9	9
Computer Science	10	10
Education: Early Childhood Education	11	---
Medical Coding/Billing/Administration	11	---
Computer and Information Systems Security	13	---
Law/Paralegal Studies	14	---
Human Resources	15	10
Business Information Systems	---	10
Education: Leadership and Administration	---	7
Education: Other	---	5
Psychology: Clinical	---	14
Theology/Religious Studies	---	7
Social Work	---	14
Business: International	---	14

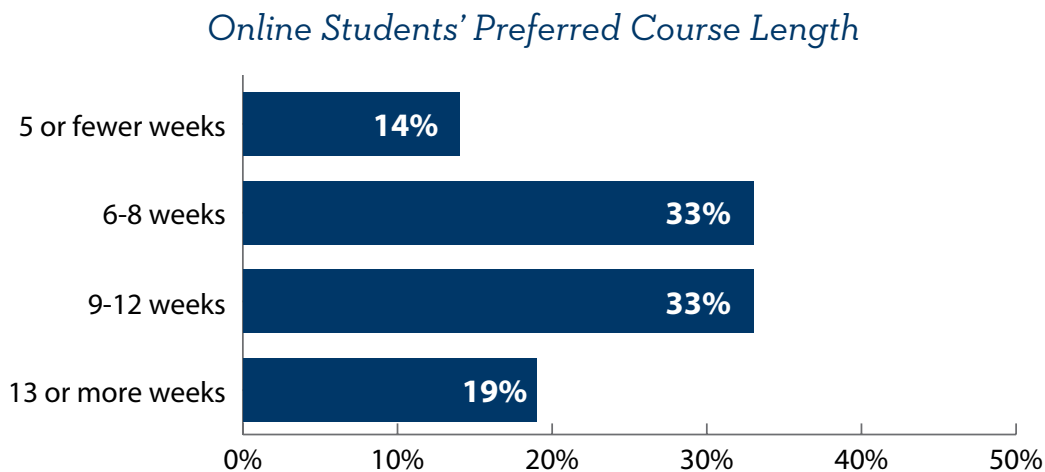
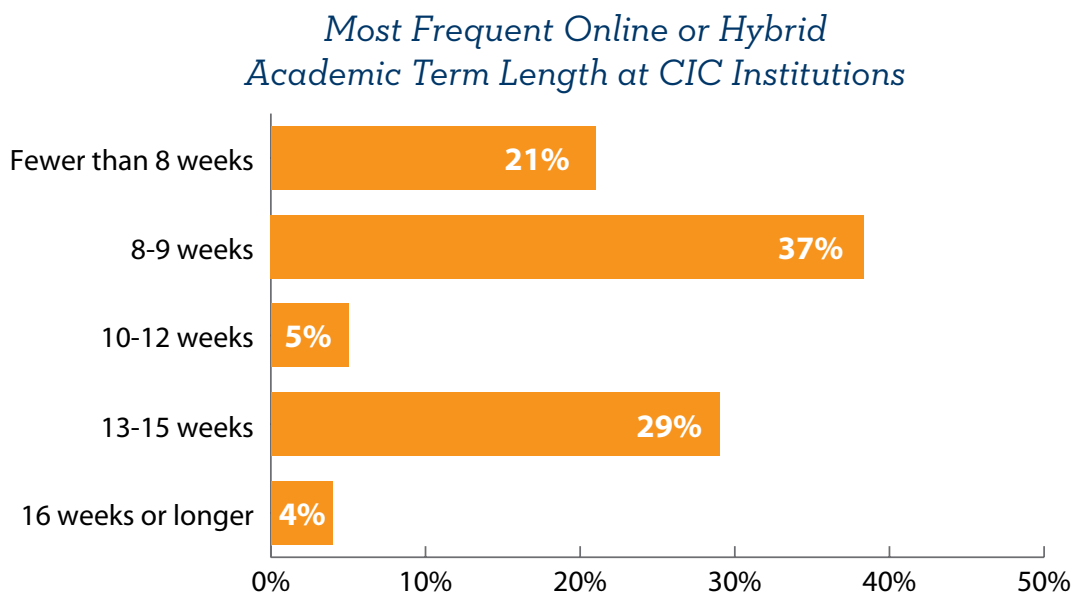
*Source: Online College Students 2013*



## Term Length

CIC institutions are not averse to offering shorter term lengths for online courses, with more than one-third most frequently offering online or hybrid courses that lasted eight to nine weeks. Extensive institutions are even more likely to have shorter terms for their online programs. Thirty-seven percent report eight to nine-week terms for their online programs, with an additional 21 percent reporting terms of fewer than eight weeks. More than two-thirds of Intermediate institutions report terms of nine or fewer weeks. Comparatively, only one in five AASCU institutions most frequently have an online or hybrid course length of fewer than 10 weeks.

The term lengths offered by CIC institutions are consistent with online student preferences; in a survey of online college students, 81 percent of students enrolled in fully online programs preferred term lengths of fewer than 13 weeks. (Aslanian and Clinefelter, 2013)

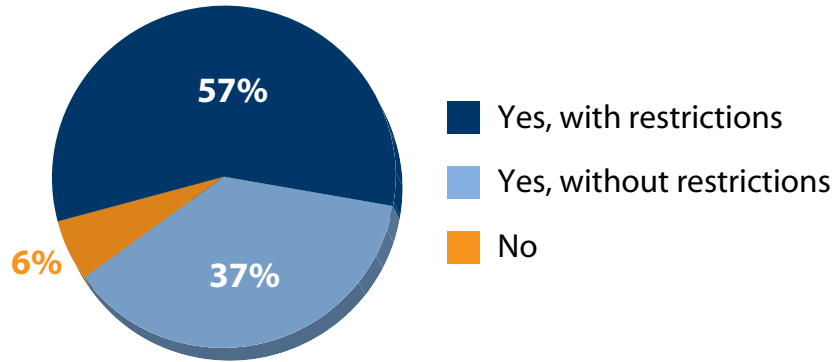


Source: *Online College Students 2013*

## Restrictions on Residential Enrollment in Online Courses

The majority of CIC institutions reported that students could enroll in online courses, but with restrictions. AASCU institutions are significantly more likely to allow residential students to enroll in online courses without restriction.

*Residential Students Permitted to Enroll in Online Courses*



## Online Courses Specifically for Residential Students

CIC institutions most frequently reported planning online courses for residential students around summer sessions. There was little special planning for athletes and study abroad programs.

<b>Online Courses for Residential Students</b>	<b>Percent</b>
Summer session	70%
Fall/spring semester	30
Winter term/J term	14
Study abroad programs	7
Athletes	2
None of the above	26

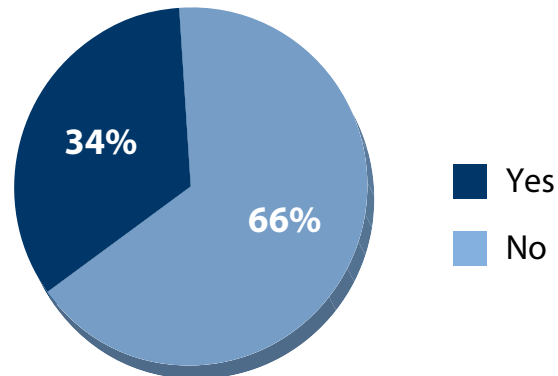
## Tracking Hours and Determining Credit for Online Courses

Two-thirds of CIC institutions reported not having a system in place for calculating the amount of time students spend in online courses to determine the number of credit hours granted.

Of those colleges that did have such a system, there were a variety of ways the system was implemented, including :

- All course components are allotted a time value, to conform to Carnegie Unit expectations and Interaction requirements
- Anticipated student investment is estimated as part of the course design
- Clock time online
- Faculty members design the courses to meet this requirement
- Same syllabus, same learning outcomes as the in-person class

*Track Student Time in Online Courses*



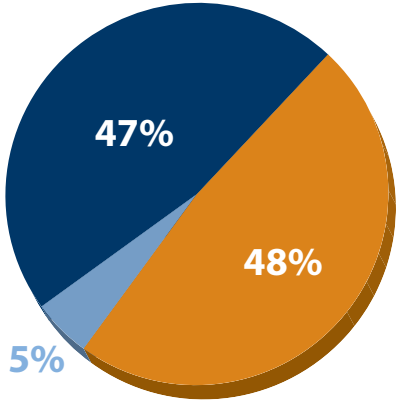
# Marketing: How are online students attracted?

## Geographic Targeting

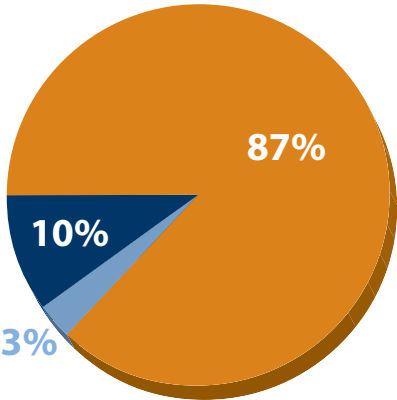
Nearly half of respondents with at least one fully online program indicate that their institution markets those nationally. A much smaller percentage of institutions market their programs internationally. When asked how many programs were marketed, the majority of schools that marketed nationally reported marketing more than one of their programs; similarly, the schools that marketed internationally reported marketing more than one of their programs. Seventy percent of online college students attend an institution within 100 miles of their home (Aslanian and Clinefelter, 2013); when spending marketing dollars, institutions will want to keep brand reach in mind.

Extensive institutions were more likely to market one or more of their programs nationally (56 percent) or internationally (19 percent) compared to Intermediate schools (44 percent and 7 percent, respectively).

Online Programs Marketed Nationally

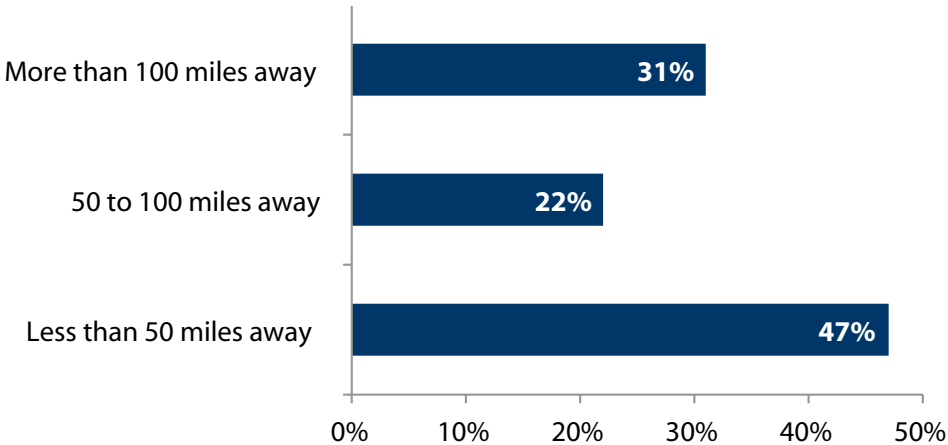


Online Programs Marketed Internationally



- Yes
- No
- Unsure

Distance to Institution



Source: Online College Students 2013

## On the Horizon: What are future plans for online learning?

### The Future of Online

Offering credit for examination and credit for prior learning were the two most common online program features currently being offered. In the next two years, the most common features schools are planning to add are increasing international student enrollment and offering hybrid graduate programs. Interestingly, MOOCs, despite the amount of attention they are receiving, do not feature in the plans of institutions over the next two years.

Eighty percent of Extensive CIC institutions currently offer credit for prior learning, while 69 percent offer credit for exams and 55 percent accept ACE CREDIT recommendations. Over the next one to two years, 44 percent of this group plan to add learning communities via social media, compared to less than one-third of CIC institutions, overall. Of Limited institutions, 24 percent plan to add a fully online undergraduate program in the next one to two years, 36 percent plan to add a fully online graduate program, 48 percent plan to add a hybrid undergraduate program, and 41 percent plan to add a hybrid graduate program. Even among institutions that do not offer any fully online programs now, interest is strong, and across all degree types.

<i>Plans for Online Learning</i>	<b>Currently Do</b>	<b>Plan to Do 1-2 Years</b>	<b>No Plans</b>
Credit for examination	61%	8%	31%
Credit for prior learning	55	10	36
Support services for online students	52	29	18
Hybrid graduate programs	49	33	18
Fully online graduate programs	48	23	29
Hybrid undergraduate programs	41	31	28
Cohort-based programs online	39	32	29
Accept American Council on Education (ACE) CREDIT Recommendations for non-college education	34	10	57
Fully online undergraduate programs	32	23	45
Fully online certificates	27	31	42
Increase international student enrollment	26	52	22
Learning communities via social media such as Facebook	22	29	49
Using MOOC content in regular classes	7	27	66
MOOCs	2	13	85
Granting credit for MOOCs	1	18	81

## The Role CIC Can Play

Almost 90 percent of respondents are interested in the regulatory environment for online learning and an equal number also would like to learn how comparable institutions are using online learning. Institutions also would like executive-level sharing of models and experience.

<i>How Institutions Want CIC To Help</i>	<b>Percent</b>
Knowledge of comparable institutions' strategic use of online learning	89%
Monitoring of state and federal licensing and regulatory requirements for online education	89
Opportunities for executive-level sharing of models and experiences	78
Training in how to grow and develop online programs	68
Availability of leaders in the field to advise in strategic planning for online education	60
Information resources applicable to strategic use of online education by my institution	58
Leadership training	47
Other	2

## Recommendations

---

### Online Program Development Lifecycle

In the data analysis for this report, there were clear distinctions based on the number of fully online programs an institution offers and colleges were grouped into Limited (no online programs), Intermediate (one to four fully online programs), and Extensive (five or more fully online programs) categories. The subsequent interviews of selected survey respondents revealed finer distinctions. Based on the interviews and the authors' experience, higher education institutions follow a common path or progression as they move into online programming and there are fairly clear milestones. Following is a description of the stages along the path to becoming an integrated online institution and a table presenting the details of each stage. These milestones are not precise. Each institution is unique, but the general progression is fairly standard. Leaders can use this table to see where their institution is and guide them in decision-making as they make plans to take advantage of online programming.

- **Isolationists:** Institutions that don't believe online teaching and learning is compatible with their mission. They prize small classes led by full-time faculty in a campus setting. Faculty and administrators believe this form of instruction is superior to online classes and believe it is core to their institutional identity. These institutions are typically well off financially, and don't feel pressure to add new revenue sources. About 10 percent of CIC members are in this category.
- **Beginners:** Institutions that would like to develop online programs but haven't been able to overcome barriers such as faculty resistance. There is typically disagreement among senior administrators over the value of online programming and no consistent online strategy. They dip their toes in the online water with some online classes, typically in the summer. Almost 40 percent of CIC members are in this category.
- **Start-ups:** Institutions that have a department chair or dean who saw the value in developing online programs early and took the initiative to create one. As that program grows, other departments follow their example and start online programs. They may get some assistance from central service units, such as marketing and IT. Almost 20 percent of CIC members are in this category.
- **Developers:** Institutions where either the president or VPAA saw the potential for online programs and created a department with a senior person to lead it. There are typically one or two staff members in instructional design and student services. The online administrator supports the existing online programs and begins recruiting other academic units to create online programs. The online strategy is primarily reactionary, following departments that have developed online programs. There isn't a clear vision or strategy yet. Almost 20 percent of CIC members are in this category.
- **Builders:** Institutions with leaders who recognize the value of online programs and have created strategic plans and structures to build them. Some have outsourced services such as marketing and enrollment to extend their budgets and speed their development. They have strong faculty development and curriculum design services. Some of these institutions have created a clear division between online and campus operations with online being secondary to the campus. Less than 10 percent of CIC members are in this category.

- Integrators:** A handful of colleges and universities have eliminated the division between online and on-ground programs. Students and faculty move back and forth between the two forms of delivery seamlessly from one term to the next. Most programs are offered in both formats. Administrative units make no distinction when providing their services. These institutions have achieved full integration. Less than 5 percent of CIC members are in this category.

	<b>Isolationists</b>	<b>Beginners</b>	<b>Start-Ups</b>	<b>Developers</b>	<b>Builders</b>	<b>Integrators</b>
<b>Online Structure</b>	No separate structure	No formal leader; some leaders add online to their duties	Volunteer chairs and deans build programs	Administrator for online programs with some dedicated staff	Central administrator, more dedicated staff and some outsourcing	Every VP has responsibility for online courses in their area w/ dedicated online staff
<b>Programs</b>	Some blended courses but no time reduction	Gen-ed classes in the summer	1–2 programs; business, education, nursing, or a niche	3–4 programs; business, education, nursing, or a niche	5+ programs across multiple disciplines, grad and undergrad	Almost all programs offered online and on ground
<b>Leadership</b>	Interested faculty	Interested faculty	Interested chairs/deans	VPAA or president	VPAA and president	All senior administrators and deans
<b>Faculty</b>	Regular faculty volunteers	Regular faculty w/ overloads	Full-time faculty w/ overloads and dedicated part-time	Full-time faculty w/ overloads and dedicated part-time	Some dedicated full-time and part-time online faculty	All faculty members teach online
<b>Online Tuition</b>	N/A	Tech fee for online courses	Tech fee and different tuition (privates lower, publics higher)	Tech fee and different tuition (privates lower, publics higher)	Tech fee and different tuition (privates lower, publics higher)	No tech fee, one tuition
<b>Course Design</b>	Faculty w/ no restrictions for online content	Some standards for online content; i.e., syllabus	Extra comp. for course writing, some standards	Extra comp. for course writing; some standardized, master courses	Standardized, master courses the norm	Standardized, master courses for all
<b>Support Services</b>	LMS w/ some training	LMS w/ some training	LMS w/ some training	Part-time help desk, Instructional designers	24x7 help desk, instructional designers, required online pedagogy course	24x7 help desk, instructional designers, required online pedagogy course



## Improving Delivery of Online Programs

Regardless of where an institution is on this continuum, there is room for growth. Following are some recommendations for streamlining processes and improving delivery of online programs.

- **Hire an online leader and appropriate staff.** To be successful, online programs should be treated as an integral part of an institution's offerings. Administration should be centralized under one leader and staff should be dedicated to ensuring the programs are run smoothly. This step is crucial for every type of institution except those who are fully integrated with online; once an institution is in that stage, management of online programs once again is distributed through departments.
- **Educate and incentivize faculty to teach online.** Faculty resistance to online pedagogy is a major barrier and the best way to overcome it is to educate, educate, educate. Successful institutions have staff members who teach the faculty members how to use online tools and help them redesign their courses. Faculty are encouraged and incentivized in a multitude of ways to teach online. To ease the faculty buy-in process moving forward, the ability to teach online should be a hiring criterion for new faculty.
- **Revise policies and procedures to accommodate online faculty.** As increasing numbers of faculty members teach online courses, institutions are being confronted with faculty workload equity issues. Should faculty members be required to maintain office hours on campus if they teach 100 percent online? How is institutional service measured for a faculty member who lives away from campus? Does teaching only online courses alter the calculus for tenure and promotion? Policies, such as tenure and promotion, and practices, such as office hours and faculty meetings, need to fully accommodate online-only faculty.
- **Use good accounting and budgeting practices.** Thirty-two percent of the survey respondents reported they couldn't calculate revenue from online programs. It's important to budget properly and account for revenue and expenses in online programs. Interviewees reported frustration with budgeting practices where administrators routed revenue from a unit that was earning it to others with the consequence that the earning unit couldn't maintain or staff the program adequately. Leaders need to implement budgeting processes where there is a balance between the needs of the college and the online academic unit with appropriate incentives.
- **Expand offerings.** Almost one-third of students enrolled in online programs are pursuing business degrees. (Aslanian and Clinefelter, 2013) It follows that almost every institution should offer business degrees to meet this demand and slightly more than 60 percent do so. Graduate education and undergraduate health-related professions are the only other disciplines where more than 50 percent of institutions offer programs. This leaves many fields, such as information technology, criminal justice, psychology, and a variety of social sciences and humanities where less than one-third of CIC institutions offer online programs, and where a desire exists for such programs.

- **Save national and international marketing dollars for niche programs.** 70 percent of online students attend a college or university within 100 miles of where they live (Aslanian and Clinefelter, 2013), so marketing investments in this area will likely provide the best return. Students typically won't bypass a local institution unless there is a good reason to do so. Unique programs in specialized fields may attract students far from home. Otherwise, the power of the local brand is hard to overcome.
- **Accept all legitimate credit.** Eighty percent of undergraduate online students brought transfer credits to their institution, and acceptance of transfer credits is one of the top factors for online students when selecting an institution. (Aslanian and Clinefelter, 2013) Institutions that want to serve these students well will have policies to accept experiential credit and credit recommendations from the American Council on Education's CREDIT program.
- **Invest in outcomes.** The competition for students is increasing. If institutions want to grow online enrollments, they would do well to begin documenting student outcomes such as graduation rates, placement rates, and student achievement of program/course outcomes. If the results are not stellar, there is still time to make program changes so the results improve. Virtually all universities with online programs advertise convenience and flexibility. In the future, those who can advertise their high graduation rates, placement rates, and student learning outcome achievement will be attractive to prospective students.
- **Synthesize online and on-ground processes for a consistent student experience.** A handful of institutions have erased the differences between online and on-ground operations; i.e., all faculty members regularly teach in either format, students move freely back and forth between online and on-ground classes, tuition and fees are identical, most programs are offered both online and on ground, and all services are equally accessible to online or on-ground students. These institutions have blended online and on-ground courses and programs into a unified whole and are well positioned for the future.

## Methodology

---

The survey was developed in consultation with an advising committee of staff members and chief academic officers of the Council of Independent Colleges by staff members of The Learning House, Inc., an online educational services provider.

The questionnaire was distributed to all chief academic officers of CIC member institutions in March and April, 2013. Two hundred and thirty-eight out of 616 institutions responded to the survey, for a response rate of 39 percent. Based on the sample size, a difference of 10 percent is necessary for statistical significance. All percents in this report have been rounded; therefore, the total percent figure in a table may not add up to exactly 100. Further, where the total percent figure is substantially more than 100, the question allowed respondents to choose more than one option.

Follow-up interviews were conducted with 11 individuals who completed the survey to gain further understanding of the data as well as personal insights. The interviewees were evenly drawn from the Extensive, Intermediate, and Limited groups. Interviews were conducted during August, 2013. Similar questions were asked of each individual. This information was used primarily in the Recommendations section of the report.

Three variables were used to check the representativeness of the sample of responding institutions: size, Carnegie classification, and regional accrediting body. With regard to regional accrediting body, the North Central Association of Colleges and Schools was slightly over-represented, with 45 percent of the survey respondents versus 37 percent of the CIC membership in this region. The sample was very similar to the CIC membership when divided by Carnegie classification, with deviations of less than 1 percent in each level of classification. Larger institutions (those with more than 2,250 students) were under-represented, comprising 24.6 percent of the sample but 36.2 percent of the membership.

A breakdown of institutional demographics is as follows.

<i>Regional Accreditor</i>	<b>CIC Membership</b>	<b>Respondents</b>
Middle States Commission on Higher Education	18.5%	14.6%
New England Association of Schools and Colleges (NEASC)	9.7	7.1
North Central Association of Colleges and Schools/HLC	37.3	44.7
Northwest Commission on Colleges and Universities	3.7	4.0
Southern Association of Colleges and Universities	26.6	27.3
Western Association of Schools and Colleges	4.2	2.4

<b>Size</b>	<b>CIC Membership</b>	<b>Respondents</b>
Fewer than 750	10.4%	12.7%
750 to 1,499	29.2	34.9
1,500 to 2,250	24.2	27.8
More than 2,250	36.2	24.6

<b>Carnegie Classification</b>	<b>CIC Membership</b>	<b>Respondents</b>
Associate's: Private not-for-profit	0.5%	–
Baccalaureate colleges: Arts & sciences	26.4	25.4%
Baccalaureate colleges: Diverse fields	26.4	28.6
Baccalaureate/associate's colleges	0.8	0.8
Doctoral/research universities	4.1	4.8
Master's colleges and universities (larger programs)	21.6	21.0
Master's colleges and universities (medium programs)	12.2	12.3
Master's colleges and universities (smaller programs)	6.5	5.2
Other	1.9	2.0

### **CIC Institutions With No Online or Hybrid Courses or Programs**

Ten percent of CIC institutions responding to the survey reported not offering any online or hybrid courses or programs. This group does not appear likely to enter the online marketplace in the near future, with nearly 90 percent of these institutions reporting no plans to offer online or hybrid undergraduate or graduate degree or certificate programs in the next one or two years.

Eighty-one percent of these institutions would like CIC to help them with information on comparable institutions' strategic use of online learning. This group, however, does not appear likely to enter the online marketplace in the near future, with nearly 90 percent of these institutions reporting no plans to offer online or hybrid undergraduate or graduate degree or certificate programs in the next one or two years.

These institutions were not included in the results discussed in this report.

## Partners

---

**The Learning House, Inc.** helps colleges and universities create, manage and grow high-quality online degree programs and courses. Partnering with more than 100 schools, Learning House enables institutions to efficiently and affordably achieve their online education goals. Services include product development and market research, marketing and lead generation, admissions and enrollment management, student retention, curriculum development and management, faculty training and professional development, learning management systems and 24/7 technical support. As a thought leader in the industry, Learning House publishes an annual report on online college student preferences and demographics and presents an annual online higher education conference.

**The Council of Independent Colleges** is an association of 645 nonprofit independent colleges and universities and more than 90 higher education organizations that has worked since 1956 to support college and university leadership, advance institutional excellence, and enhance public understanding of private higher education's contributions to society. CIC is the major national organization that focuses on providing services to leaders of independent colleges and universities as well as conferences, seminars, and other programs that help institutions to improve the quality of education, administrative and financial performance, and institutional visibility. CIC also provides support to state fundraising associations that organize programs and generate contributions for private colleges and universities. The Council is headquartered at One Dupont Circle in Washington, DC. For more information, visit [www.cic.edu](http://www.cic.edu).

## Authors

**David L. Clinefelter** is Chief Academic Officer of The Learning House, Inc. Prior to joining Learning House, he served as Chief Academic Officer of for-profit, online universities Walden and Kaplan, and as President of Graceland University, an early innovator in online education.

**Andrew J. Magda** is the Manager of Market Research of The Learning House, Inc. He leads in the development of custom and large-scale market research studies and assists partner institutions with their research needs. Prior to Learning House, Andrew was a senior analyst at Eduventures and a project manager at the Center for Survey Research and Analysis at the University of Connecticut.

For additional information, contact:

**CIC**  
(202) 466-7230  
[cic@cic.nche.edu](mailto:cic@cic.nche.edu)  
[www.cic.edu](http://www.cic.edu)

**The Learning House, Inc.**  
(502) 589-9878  
[ewheeler@learninghouse.com](mailto:ewheeler@learninghouse.com)  
[www.learninghouse.com](http://www.learninghouse.com)

## References

---

Allen, I. E., & Seaman, J. (2013). *Changing course: Ten years of tracking online education in the United States*. Babson Survey Research Group and Quahog Research Group, LLC

Aslanian, C. B., & Clinefelter, D. L. (2013). *Online college students 2013: Comprehensive data on demands and preferences*. Louisville, KY: The Learning House, Inc.

Eduventures, Inc. (2012). *Online higher education market update 2012/13: Executive summary*. Retrieved from <http://www.eduventures.com/insights/online-higher-education-market-update/download/>



[www.learninghouse.com](http://www.learninghouse.com)  
(502) 589-9878



THE COUNCIL OF  
INDEPENDENT COLLEGES

[www.cic.edu](http://www.cic.edu)  
(202) 466-7230