

# Online Learning at Public Universities:

*Building a New Path to a College Degree*

A joint project of The Learning House, Inc. and the American Association of State Colleges and Universities



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## Introduction

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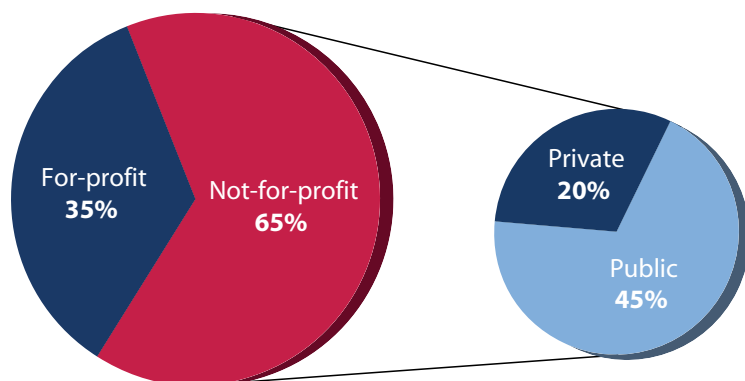
It is estimated that 3 million college students (14 percent) are enrolled in fully online programs (Eduventures, 2012), while 30 percent of all college students take at least one online class (Allen and Seaman, 2013). While overall enrollments have been stagnant the past two years, online enrollments 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 class online. The capacity of this new higher education system is virtually unlimited and can accommodate increasing numbers of students without worry over physical constraints, such as 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 to provide services to remote students who never come to campus. Chairs, deans and provosts have learned how to develop and market online programs, and how to lead faculty members who live elsewhere.

Public universities have been quick to adapt to the new technology and develop online programs true to their mission to provide public access to higher education. Nearly 20 years ago, many of the pioneers in online learning were members of the American Association of State Colleges and Universities (AASCU). Troy University, Thomas Edison State College, SUNY Empire College, and the University of Maryland University College served adult students, and online learning was a natural evolution for these universities that already served adults at a distance.

About 45 percent of students enrolled in fully online programs attend a public university, while 35 percent attend a for-profit institution and another 20 percent attend a private, nonprofit college or university (Aslanian and Clinefelter, 2013). The percentage of colleges and universities that are experienced in offering fully online programs (with experience defined as having at least five online programs), is twice as high among the public universities as among the private, nonprofit colleges and universities.

### *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 public universities who are members of AASCU. It includes information about how these universities have organized services to accommodate online students, the barriers they had to overcome, the impact on the university, finances, and plans for the near future.

## Respondent Classifications

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

<i>Size of Institution Categories</i>	
<b>Small</b>	Fewer than 7,000 students
<b>Medium</b>	7,000–14,999
<b>Large</b>	15,000–25,000
<b>Very Large</b>	Greater than 25,000

For level of online programs, institutions were grouped into the following categories:

<i>No. of Online Programs Categories</i>	
<b>Advanced</b>	5 or more fully online programs
<b>Intermediate</b>	1-4 fully online programs
<b>Beginner</b>	No fully online programs

In some instances there were meaningful differences based on the size of the institution; those are noted in the text of the report. There were a number of significant differences in responses based on the level of experience with online programming. A number of tables showing the cross tabulation by experience level of online programming are included in the report.

## Accompanying Research

A companion survey with many of the same questions was also administered to chief academic officers whose institutions are members of the Council of Independent Colleges (CIC). These are all private, nonprofit colleges or 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 and Observations

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### Level of Experience

Almost half of AASCU member institutions were in the Advanced category, meaning they offer five or more fully online programs. Institutional size matters. While those with more than 15,000 students are significantly more likely to offer five or more online programs, 40 percent of the smallest public universities (those with fewer than 7,000 students) also offer five or more fully online programs.

### Central Leadership

To provide online programs and services, the majority of institutions centralize services under a senior administrator. The Advanced online universities do this significantly more than the Beginners.

### Distributed Services

The services most likely to be performed by departments on campus are instructional design and faculty development, whereas the services most likely to be outsourced are managing the learning management system (LMS) and 24/7 technical support. Traditional administrative departments provide the majority of enrollment management, bookstore, retention, advising, tutoring and marketing. The services for online students that are most likely to be distributed across several departments are academic advising and retention.

### Faculty Staffing

Almost every university uses full-time faculty to teach online classes, followed closely by those with part-time faculty teaching both online and on ground.

### Faculty Compensation

About 70 percent of respondents provide extra compensation for online course development, but only 20 percent provide extra compensation for online teaching.

### Barriers

The greatest barriers that these universities continue to face are students needing more discipline to succeed as well as faculty acceptance and online classes requiring more faculty time to teach. Advanced online universities have managed to overcome these barriers significantly more so than Beginners.

### Positive Outcomes

There are many positive outcomes accruing from offering online programs. The majority of institutions reported increased student access, attracting students from outside the traditional service area, pedagogic improvements, increased enrollment and revenue, and growth in continuing education. There was also a positive impact to on-ground operations, including new pedagogy, traditional students enrolling in online courses, and increased capacity to offer more classes.

### Central Budgeting

When it comes to budgeting for online programs, two-thirds of the universities use a central budgeting process and 14 percent report using an overhead cost recovery model, where the revenue after overhead is retained by the unit that generates it.

### **Tuition and fees**

About one-quarter of respondents charge higher tuition for online courses and more than half add a technology fee.

### **Positive Revenue**

Online learning can generate revenue. One-third of the universities reported earning more than \$1 million in annual revenue from online programs. Forty percent reported they are not tracking revenue generated specifically from online programs, so they could not comment.

### **Fields of Study**

At the undergraduate level, more than half of the universities offer degrees in health-related professions and business. At the graduate level, the majority offer degrees in education and health-related professions, while almost half offer programs in business. Fewer than half offer online programs in all other fields: social sciences, psychology, STEM, computer sciences, liberal arts/humanities, and criminal justice.

### **Term Length**

Only about one-quarter of these institutions offer academic terms that are fewer than 13 weeks in length, whereas a large majority of students prefer terms fewer than 13 weeks. (Aslanian and Clinefelter, 2013)

### **National and International Marketing**

About half of the institutions market their online programs nationally, while about one-quarter market them internationally. Approximately 70 percent of students enrolled in fully online programs attend institutions within 100 miles of where they live. (Aslanian and Clinefelter, 2013)

### **Future Plans**

When asked about plans for the next year or two, the top three responses were: to add online certificates, increase international enrollment and use MOOC content in regular courses. Almost one-third of Beginner schools plan to add at least one fully online program in the next year or two; interest in online programs is strong, even among schools that do not currently offer such programs.

### **Help from the AASCU**

Respondents reported a strong desire for AASCU to provide information about the regulatory environment for online programs, how comparable institutions are using online programming, and opportunities for executive-level sharing of models and experiences.

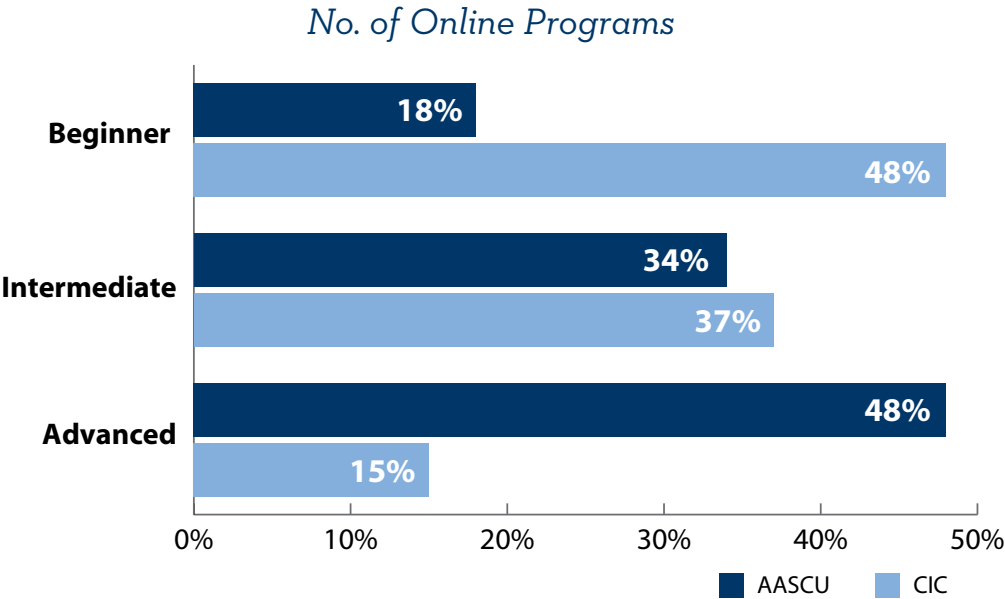
## Experience: How many online programs are offered?

One in five AASCU institutions have no fully online programs (Beginner category), while about half have five or more fully online programs (Advanced category). The percentage of Advanced institutions rises with institutional size, from 40 percent of the smallest to 60 percent of the largest institutions offering five or more fully online programs.

<i>Online programs by institutional size</i>	<b>&lt;7,000 students</b>	<b>7,000 to 14,999</b>	<b>15,000 to 25,000</b>	<b>&gt;25,000</b>	<b>AASCU</b>
Advanced	40%	52%	63%	60%	48%
Intermediate	36	37	25	20	34
Beginner	24	11	13	20	18

### Public Universities Lead in Offering Online Programs

Almost half of AASCU member institutions offer five or more fully online programs. This means there are about 210 AASCU universities offering this level of online programming. Only 15 percent (approximately 100 institutions) of CIC institutions (private nonprofit colleges and universities) are in the Advanced category. Clearly, the public universities have been quicker to embrace online learning.





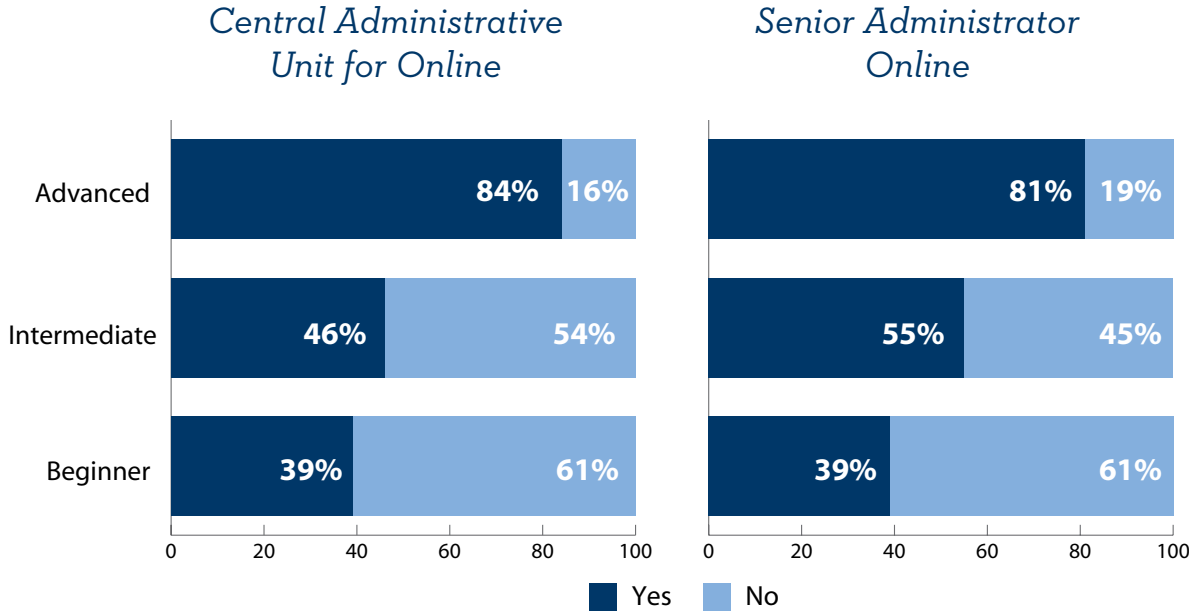
# Infrastructure: How are institutions organized to deliver online programs?

## With Structure Comes Scale

More than 60 percent of AASCU schools use a central administrative unit headed by a senior administrator to manage their online portfolios. There are significant differences in the level of centralization of administration, increasing from Beginner to Intermediate to Advanced institutions. About 80 percent of the Advanced institutions have a senior administrator in charge and a central administrative unit. Only about 40 percent of the Beginner institutions have the same infrastructure.

Large institutions are more likely to use a central administrative unit structure (73 percent of Large, versus 65 percent of Medium and 55 percent of Small schools). There are similar trends with the use of a senior administrator for online programs, with Large institutions being more likely to have a position dedicated to managing the implementation and administration of online programs.

There is no way to know if the centralization of online services preceded and stimulated the growth in programs or if the proliferation of online programs led to the centralization of services. However, there is a strong correlation, and it seems difficult for institutions to achieve significant scale without a senior leader and central unit for online programs. Online programs require coordination among virtually all departments of a university, and it is difficult to achieve the necessary level of coordination without a central unit.



For Large online schools, the central online unit is slightly more likely to provide marketing and student retention services. Advanced online schools are more likely to outsource these services. Almost half of all online schools outsource 24/7 technical support. One-quarter outsource marketing, while 13 percent outsource enrollment management.

### Source of Services for Online Programs

Traditional administrative units (a functional unit on campus that serves face-to-face students) are responsible for the majority of services to the online student, such as enrollment management, bookstore, student retention, academic advising, tutoring and marketing. The “central online unit” tends to own faculty development and instructional design services. The LMS is the most commonly outsourced service.

Forty-four percent of all institutions surveyed do not offer 24/7 technical support. This is a disadvantage to students and may contribute to frustration and course withdrawals.

<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>	<b>Unsure</b>
Enrollment management	76%	25%	27%	13%	9%	–
Bookstore	76	10	15	34	2	7
Student retention and support services	63	26	47	9	5	–
Academic advising	62	25	57	9	2	–
Tutoring	62	19	38	6	14	19
Marketing	58	33	40	25	19	–
Orientation	46	49	32	6	19	11
LMS hosting	44	42	13	63	–	19
24/7 technical support	36	32	20	47	44	11
Ombudsperson	35	12	10	–	77	63
Instructional design	33	70	25	6	5	–
Faculty development and training	31	77	32	13	–	–

*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

AASCU institutions are most proud of their instructional design and faculty development and would self-identify these services as exemplary. As discussed above, these two services are most likely run by a central online unit.

Tutoring and bookstore services are the least likely service areas that AASCU schools would identify as exemplary.

Schools with no fully online programs are just as likely to feel they have exemplary faculty development and training.

<i>Services Identified as Exemplary by AASCU Schools</i>	<b>Percent</b>
Faculty development and training	77%
Instructional design	62
Student retention and support services	25
Academic advising	21
LMS hosting	19
Orientation	17
Enrollment management	14
Marketing	12
24/7 technical support	8
Ombudsperson	8
Bookstore	4
Tutoring	4

## Online Instruction Responsibilities

Nearly all institutions have full-time faculty members instruct online as part of their regular load, with two-thirds also having full-time faculty members instruct online as overload. The large majority of AASCU schools also use part-time faculty members to instruct both online and on-ground courses. More than half have hired part-time faculty members who solely instruct online and one-third use full-time faculty members who only teach online.

Large institutions are slightly more likely to employ part-time faculty members who only instruct online courses. Advanced online schools are slightly more likely to use full-time overload faculty members to instruct online.

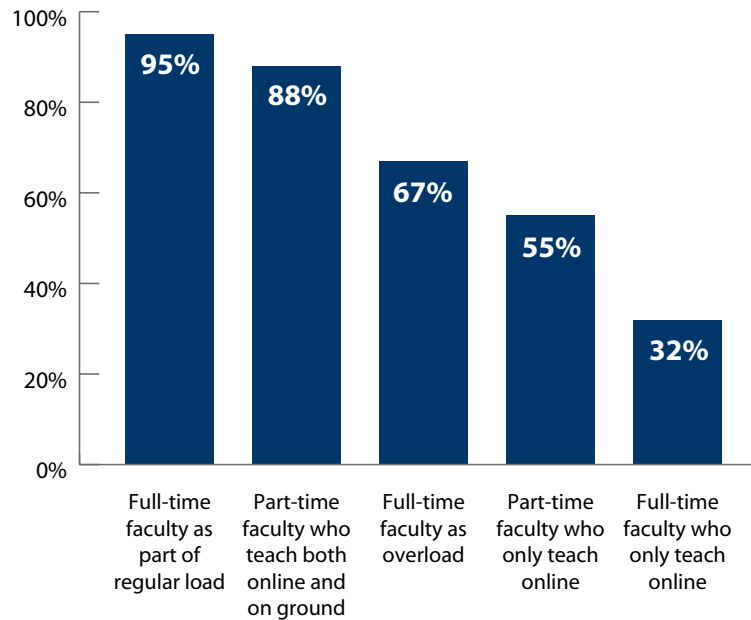
### Faculty Compensation for Online Activities

Faculty members are incentivized for online course development but typically not for online course instruction.

Large institutions are more likely to compensate faculty for course development (86 percent) and for online instruction (43 percent).

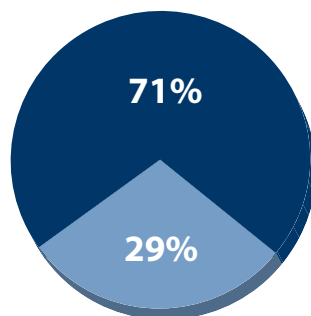
In traditional classrooms, instructional design and teaching are done by the same individual. With the advent of online courses, the design and teaching functions can be separated. Online courses can be designed by one faculty member and taught by others. Online courses taught by multiple people can be standardized so there are common outcomes, assessments, assignments and texts. This gives rise to separate compensation for each function.

*Providers of Instruction for Online Classes*

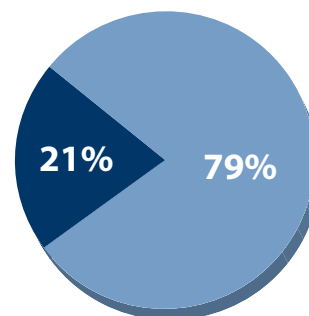


*Additional Faculty Compensation*

*Online Course Development*



*Online Course Teaching*



■ Yes  
■ No

## Impact: How is online shaping institutions?

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### Barriers Encountered

AASCU members encountered several barriers with online courses, including such courses requiring a greater amount of faculty time compared to face-to-face, a lack of acceptance of online instruction by faculty, and students needing more discipline to succeed online. Of these, slightly more than one-third of institutions were able to overcome faculty time and acceptance issues, but almost three-quarters are still experiencing student success issues. This is interesting in light of the fact that student retention is ranked third in the list of self-identified exemplary services offered.

Advanced institutions were more successful in overcoming the key barrier of faculty acceptance. Fifty-five percent of Advanced schools reported overcoming faculty resistance, compared to 15 percent of Intermediate and 22 percent of Beginner schools. Advanced online institutions were more successful in overcoming each barrier, but were not less likely to experience any of them.

Leaders are using a variety of methods to overcome faculty resistance to online teaching, including stipends for training, grants for course design, and hiring new faculty with online expertise.

<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	90%	53%	37%	11%
A lack of acceptance of online instruction by faculty	87	53	34	13
Students need more discipline to succeed	85	70	15	15
Online courses cost more to develop	74	32	42	26
Ownership of intellectual property	74	32	42	26
Online courses cost more to deliver	57	23	34	43

## Greatest Challenges in Serving Online Students

AASCU schools find training and recruiting online faculty to be the largest challenge in serving online students. Less than half report measuring outcomes, providing off-hour services, and student retention as challenges.

Beginner online schools are more likely to report training and recruiting faculty as a challenge. These schools also are more likely to report difficulties in providing off-hour services.

<b><i>Challenges Serving Online Students</i></b>	<b>Percent</b>
Training and recruiting faculty to teach online	61%
Measuring outcomes	43
Demands for off-hour services	41
Retaining students	35
Providing special services to students in need	33
Maintaining the learning management system and related technology	32
Providing access to campus services such as library, registrar, and bursar	32
Verifying student identity	32
Identifying students in need of special services	23
Detecting plagiarism	13
Other	10

## Outcomes from Offering Online or Hybrid Learning

AASCU institutions have been able to increase access, attract students from outside their normal service area, increase revenue and enrollments, and see pedagogical improvements from their adoption of online or hybrid learning. Alumni engagement is the lowest-rated outcome. An important aspect of the mission of public universities, such as AASCU members, is to provide access to higher education. Respondents reported that increased access was the most frequent outcome of providing online or hybrid programs.

Advanced online schools are more likely to report outcomes of increased revenue, increased brand recognition, pedagogical improvements, attracting students from outside the service area, and increased student access.

<b><i>Outcomes from Online or Hybrid Learning</i></b>	<b>Percent</b>
Increased student access	87%
Attracted students from outside the traditional service area	77
Provided pedagogical improvements	58
Increased enrollment	57
Increased revenue	57
Grown continuing and/or professional education	50
Enhanced value of college/university brand	47
Shifted enrollment from on ground to online	45
Increased rate of degree completion	33
Strengthened academic continuity in case of disaster	29
Increased strategic partnerships with other institutions	26
Increased the diversity of student body	25
Optimized physical plant utilization	21
Improved student retention	21
Improved enrollment management responsiveness	18
Reduced or contained costs	15
Increased faculty recruitment and retention	10
Enhanced alumni and donor outreach	8

## Impact of Online Learning to On-Ground Courses

The introduction of new pedagogy or technology in on-ground courses is the most common impact online courses and programs have had. Nearly two-thirds of AASCU schools also report “traditional” students enrolling in online courses as well as an ability to offer more sections of a course. Slightly more than half of the institutions also report increased revenue from offering online courses.

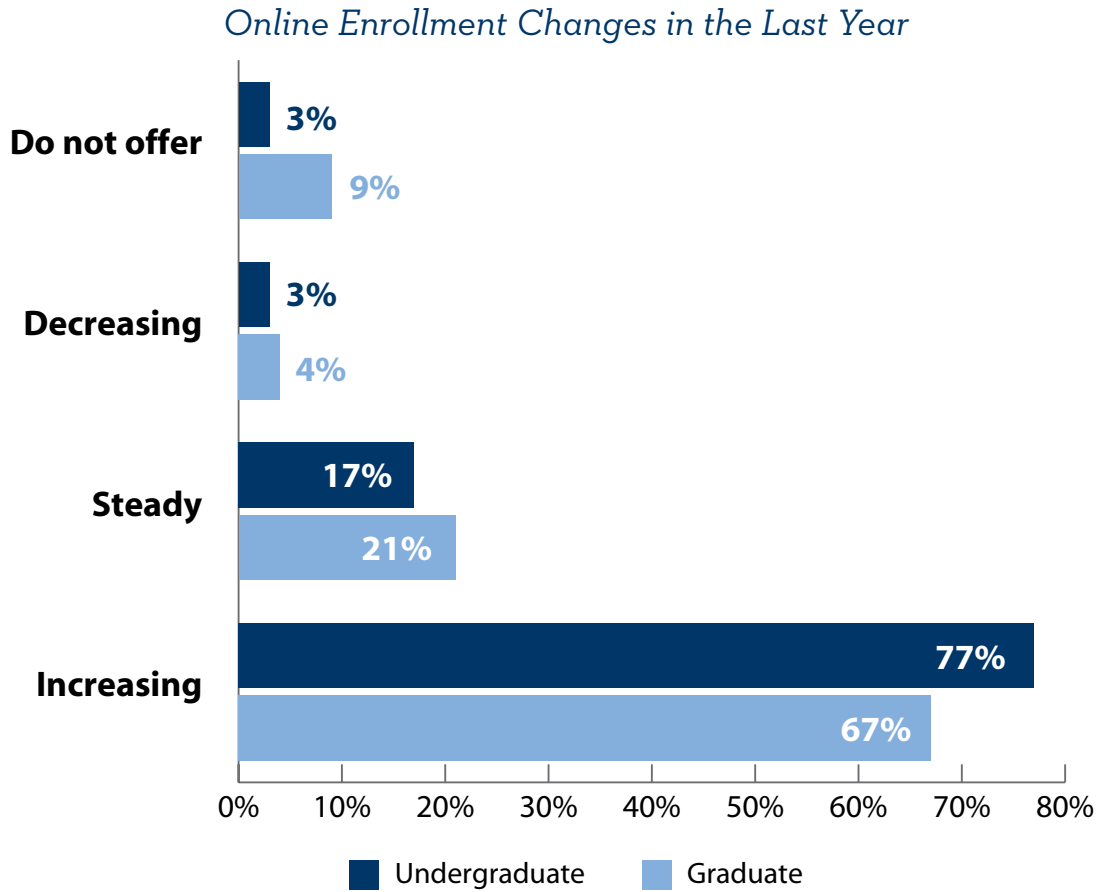
Advanced online schools are slightly more likely to report some departments feeling left out as well as having increased revenue and the ability to offer more sections of a course. Intermediate online schools are slightly less likely to report an increase in revenue and the ability to offer more sections of a course. Beginner schools are less likely to report the ability to offer more sections.

<b><i>Impact of Online Courses to On-Ground Learning</i></b>	<b>Survey Respondents</b>	<b>Beginner</b>	<b>Intermediate</b>	<b>Advanced</b>
Introduced new pedagogy or technology in on-ground courses	85%	80%	83%	88%
Attracted “traditional” students from on-ground to online courses	64	53	60	71
Increased ability to conduct more course sections	62	47	53	73
Increased revenue	54	53	40	63
Faculty are becoming entrepreneurial	38	13	47	42
Increased enrollment in on-ground courses due to improved reach of brand	8	7	7	10
Some departments/units feel “left out”	8	–	3	15
Other	9	7	10	10



## Online Enrollment Rising

Medium-sized institutions are more likely to report growth at the undergraduate and graduate level, with Small institutions slightly less likely to report growth. There were no major differences in enrollment trends when analyzing by the number of online programs offered.



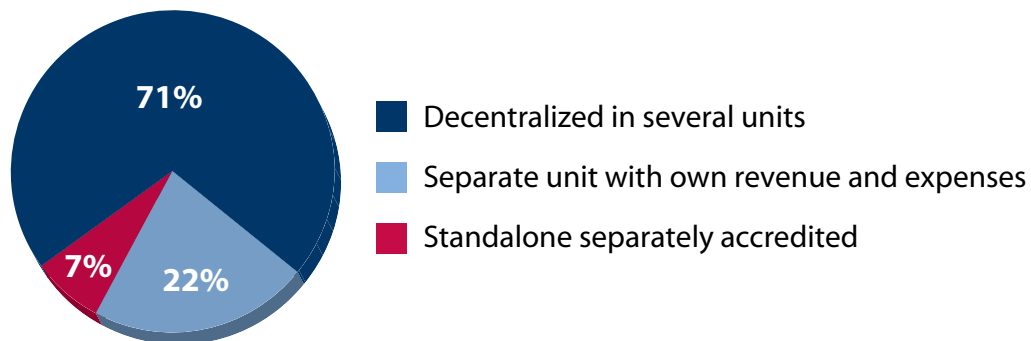
## Finances: How is online delivery affecting finances?

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### Governance Model

Nearly three-quarters of AASCU members have a decentralized system for managing their online offerings. Responsibilities for online programming are spread across several units, such as course development, scheduling, and marketing. One in five institutions offers online courses and programs through a specific, separate unit similar to a continuing education office.

*Governance Model Used to Manage Online or Hybrid Offerings*

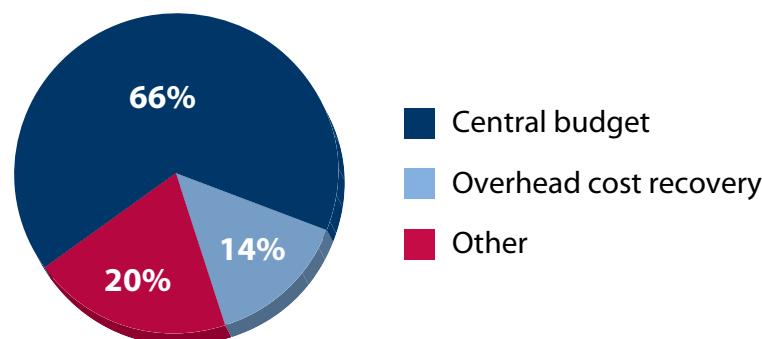


### Budget Models

The public nature of AASCU institutions appears to restrict their budget process capabilities, with two-thirds utilizing a “central budget” model for their online offerings. 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.

Small institutions are slightly more likely to use an “overhead cost recovery” model where separate units are allowed to retain revenue generated from online offerings; 14 percent of Small institutions use this model, versus 4 percent of Medium-sized institutions. Intermediate and Advanced schools are equally likely to use an “overhead cost recovery” model; 18 percent (Intermediate) versus 17 percent (Advanced).

*Budget Model Used to Manage Online or Hybrid Offerings*

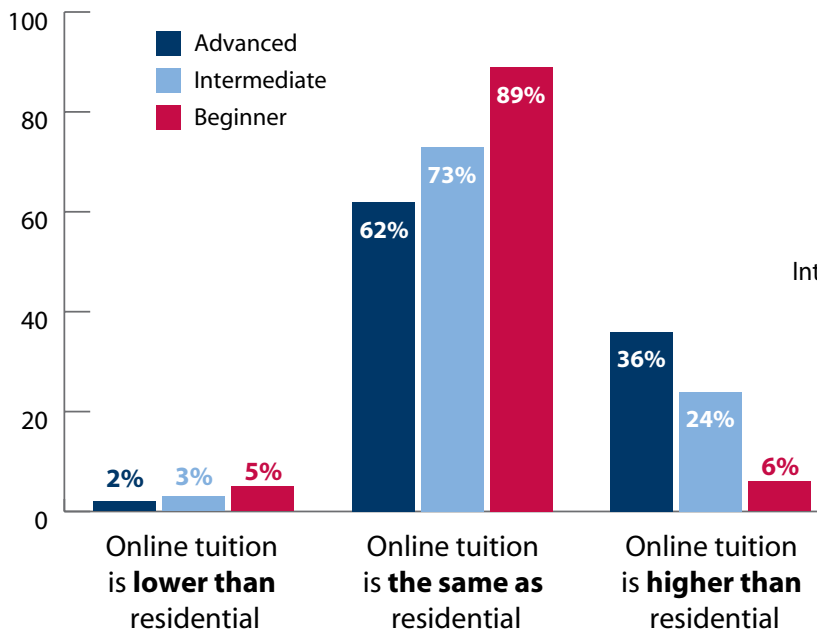


## Online Tuition and Fees

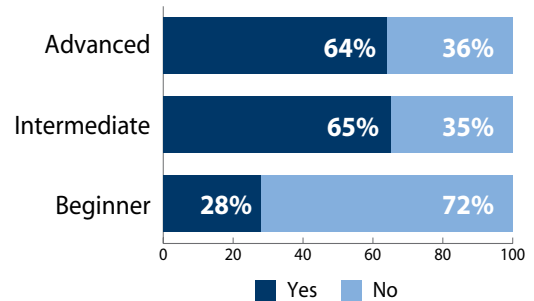
More than one-quarter of AASCU members charge a higher tuition rate for online courses/programs compared to the residential tuition rate. Advanced and Large institutions are more likely to charge a higher online tuition. The same trend is true for technology fees.

Some survey participants commented that they charged higher tuition and fees because the “market” could bear it. In contrast, CIC institutions are more likely to charge lower tuition for online programs. On average, 31 percent of CIC members charge lower tuition, with 47 percent of Advanced CIC members doing so.

### Online Tuition



### There is an Online Technology Fee

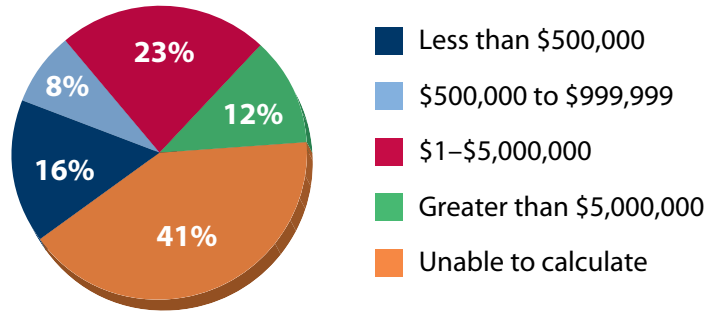


## Online Revenue

Nearly one-quarter of institutions report online course/program revenue between \$1 million and \$5 million for Academic Year 2011–12. Forty-one percent were unable to calculate online course/program revenue. When these institutions were removed from the analysis, 60 percent reported revenue of at least \$1 million, with 20 percent reporting revenue of more than \$5 million. When asked whether online revenue grew by more than 3 percent from 2010 to 2011, the majority of AASCU schools responded “yes.”

Many schools are unable to calculate the revenue they generate from online classes and programs. However, those who are able to calculate revenue specifically from online are finding that online classes and programs can be quite lucrative, with 35 percent reporting revenue generated from online of at least \$1 million. Not only does offering online programs seem to help generate revenue, but schools that offer more programs generate substantially more revenue. Twenty-seven percent of Advanced schools report revenue of more than \$5 million, while Intermediate and Beginner schools have not one respondent reporting revenues of that size.

### Online Revenue for 2011-2012



#### Revenue Generated by Online Programs, By No. of Programs

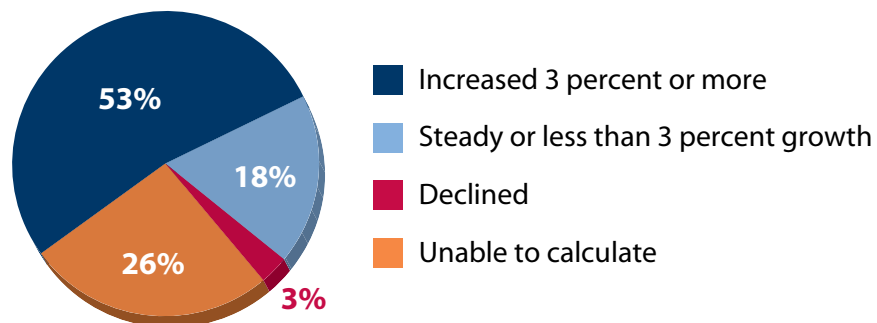
	Beginner	Intermediate	Advanced
Less than \$500,000	35%	19%	5%
\$500,000-\$999,999	–	6	12
\$1,000,000-\$5,000,000	6	22	32
Greater than \$5,000,000	–	–	27
Unable to calculate	59	53	24

#### Revenue Generated by Online Programs, By Size of Institution

	Small	Medium	Large	Very Large
Less than \$500,000	28%	–	7%	–
\$500,000-\$999,999	9	4	13	–
\$1,000,000-\$5,000,000	21	32	20	–
Greater than \$5,000,000	2	16	33	33
Unable to calculate	40	48	27	67

A majority of schools are reporting revenue growth. The next largest category is “unable to calculate,” reinforcing that many schools are not tracking revenue specifically from online programs. Only a small percentage reported a decline in revenue.

### Online Revenue Change from 2010



## Programs: What programs are offered?

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### Fields of Study Offered Online

Of schools who offer at least one fully online program, health-related professions and business dominate the undergraduate level, with most other fields barely reaching one-third. At the graduate level, education dominates, followed by health and business.

More AASCU institutions than CIC member institutions offer online programs in all disciplines, but business is the exception. Compared to other disciplines, 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 field of study, business has more than double the amount of students than the the second most common fields (health-related professions and information technology, respectively). (Aslanian and Clinefelter, 2013)

<i>Field of Study</i>	<b>Undergraduate</b>	<b>Graduate</b>	<b>Not Online at Either Level</b>
Health-related professions	67%	56%	38%
Business	56	49	45
Liberal arts/humanities	41	13	71
Social sciences	33	20	70
Criminal justice/paralegal studies	32	25	71
Computer science	20	15	81
Education	20	72	43
STEM	19	23	81
Psychology/counseling	17	12	84

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>Top 15 Degree Programs</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

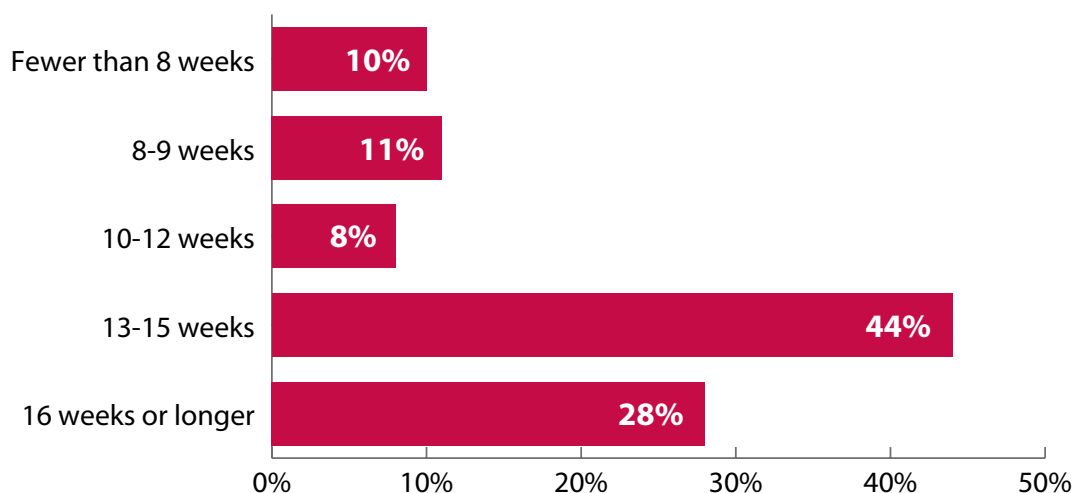
## Term Length

AASCU member institutions are less likely to offer shorter term lengths, with a most frequent online or hybrid term length of 13 weeks or longer. Only one in five institutions note that their average online or hybrid course length is fewer than 10 weeks.

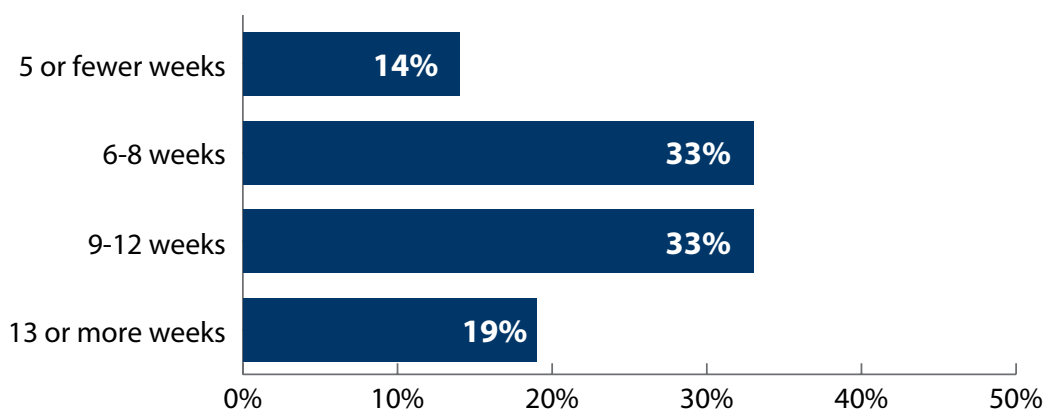
Larger institutions are less flexible in offering routinely shorter term lengths, with 40 percent of Large institutions using 16-week or longer terms, compared to 15 percent of Medium institutions. The majority of Advanced institutions also do not offer short term lengths for online or hybrid courses; 53 percent use terms of 13 weeks or longer.

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) CIC members are more in line with student preferences; two-thirds use term lengths of fewer than 13 weeks. There is a significant mismatch between student preferences and AASCU institutional practice in regard to term length.

### *Most Frequent Online or Hybrid Academic Term Length*



### *Online Students Preferred Course Length*

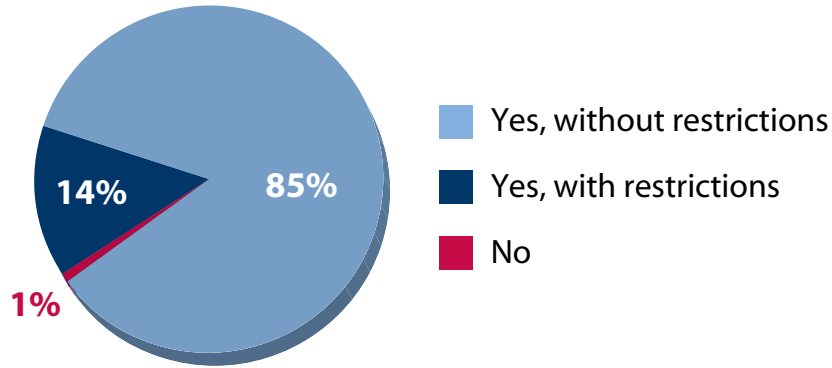


Source: Online College Students 2013

## Restrictions on Residential Enrollment in Online Courses

Few institutions place restrictions or do not allow residential students to enroll in their online courses.

### *Residential Students Permitted to Enroll in Online Courses*



## Online Courses Specifically for Residential Students

Sixty-nine percent of schools plan online courses specifically for residential or commuter students. Summer session is the most common term for online courses to be offered specifically for residential/commuter students. Half of AASCU schools plan online courses for residential students in the normal fall/spring term.

<b><i>Online Courses for Residential Students</i></b>	<b>Percent</b>
Summer session	66%
Fall/spring semester	50
Winter term/J term	32
Study abroad programs	10
Athletes	4
None of the above	31



## Marketing: How are online students attracted?

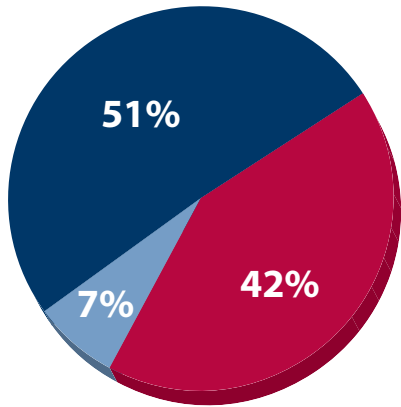
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### Geographic Targeting

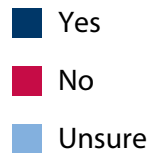
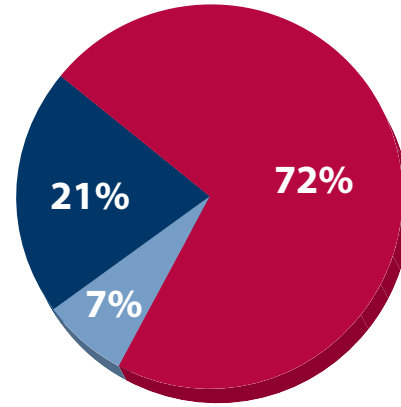
AASCU member schools with online programs are almost equally likely to market these programs locally as they are nationally. A smaller percentage look abroad to attract students to their online offerings, with one in five institutions marketing their online offerings internationally. However, 70 percent of online students attend an institution within 100 miles of their home. (Aslanian and Clinefelter, 2013)

Larger institutions are more likely to market their programs nationally (77 percent of Large schools versus 44 percent of Medium). Advanced institutions also are most likely to market nationally (65 percent versus 33 percent at the Intermediate level). There are similar trends with international marketing.

*Online Programs Marketed  
Nationally*



*Online Programs Marketed  
Internationally*



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

### The Future of Online

Offering credit for examination, as well as offering support services for online students and fully online graduate programs, are the most common items that institutions currently do. In the next year or two, fully online certificates and an increased international enrollment are the top priorities. AASCU members are least likely to plan to grant credit for MOOCs. However, almost half either do or plan to use MOOC content in regular classes.

Two-thirds of Beginner schools plan to offer fully online certificates in the next year or two years. Twenty-seven percent plan to offer fully online undergraduate programs and 23 percent plan to offer fully online graduate programs. Even among schools that do not offer any fully online programs now, interest is strong, with plans to add fully online programs in the near future.

<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	66%	12%	22%
Support services for online students	66	32	2
Fully online graduate programs	60	23	18
Hybrid graduate programs	57	26	17
Hybrid undergraduate programs	53	28	18
Fully online undergraduate programs	50	27	23
Credit for prior learning	44	30	26
Fully online certificates	41	42	17
Increase international student enrollment	41	41	19
Cohort-based programs online	40	25	35
Accept of American Council on Education (ACE) CREDIT recommendations for non-college education	35	22	42
Learning communities via social media such as Facebook	24	30	46
Using MOOC content in regular classes	12	35	54
MOOCs	11	26	64
Granting Credit for MOOCs	6	21	73

## The Role AASCU Can Play

Members are looking to AASCU to monitor the regulatory environment for them and provide opportunities for sharing data and best practices.

Schools without any fully online programs are less interested in the regulatory environment, whereas nearly every Advanced online school would like to hear from AASCU about regulations. Intermediate schools are more likely to be seeking leadership training, information resources applicable to the strategic use of online, and opportunities for executive-level sharing.

<b><i>How Institutions Want AASCU To Help</i></b>	<b>Percent</b>
Monitoring of state and federal licensing and regulatory requirements for online education	89%
Knowledge of comparable institutions' strategic use of online learning	84
Opportunities for executive-level sharing of models and experiences	81
Training in how to grow and develop online programs	61
Information resources applicable to strategic use of online education by my institution	59
Availability of leaders in the field to advise in strategic planning for online education	58
Leadership training	44
Other	4

## Recommendations

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The following recommendations are intended for university leaders who want to grow their online programs. Some apply more to Beginners, while others may be more applicable to Advanced institutions. They are based on the results of the survey, comments by participants at the AASCU CAO conference on July 26-27, 2013, and the experience of the authors, who have worked in the field of online education for a number of years. Some suggestions are fairly easy to implement, while others require substantial institutional investment. All are given in the spirit of helping more people gain access to a college education through online programs.

- **Hire an online leader and expert staff.** To be successful, online programs should be treated as an integral part of a school's offerings. Administration should be centralized under one leader and staff should be dedicated to ensuring the programs are run smoothly. Processes for which services are implemented by which department (or outsourced entirely) should be developed and clearly delineate ownership of various responsibilities.
- **Educate and incentivize faculty members 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 universities have on-ground staff members who teach the faculty members how to use online tools and help them redesign their courses. Faculty members 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 an 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 embrace online faculty.
- **Use good accounting and budgeting practices.** Forty 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. Participants in the small group discussions reported frustration with budgeting practices where administrators routed revenue from a unit that was earning it to other departments or areas, with the consequence that the earning unit could not maintain or staff the program adequately. Leaders need to implement budgeting processes where there is a balance between the needs of the university and the online academic unit, with appropriate incentives.
- **Lower tuition and fees.** Many universities report charging higher tuition and fees for online programs when, in fact, they usually cost less to operate. In effect, online students are subsidizing on-ground students. This pricing model may make sense in a for-profit university or even a private one, but is incongruous with the access mission of public universities. Pricing policies should encourage attendance and expansion.

- **Expand offerings.** More than one-third of students enrolled in online programs are pursuing business degrees. It follows that every public university should offer business degrees to meet this demand in their service area. According to these survey results, however, only about half of the public universities questioned do so. Look at student demand and the labor market in your area to determine which online programs to offer.
- **Use eight-week academic terms.** Eighty-one percent of online students prefer term lengths of fewer than 13 weeks, but a large majority of AASCU universities use longer terms. Shorter term lengths provide multiple entry points for students to enroll, making them more likely to actually begin a program. And because competitors are already embracing shorter term lengths, keeping the term lengths long could cause a potential student to choose a different institution.
- **Save national and international marketing dollars for niche programs.** Seventy percent of online students attend a university within 100 miles of where they live, so marketing investments in this area will likely provide the best return. Students typically won't bypass a local, public university 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) Universities 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. Efficient processing of transfer credit is a competitive recruitment tool.
- **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 or 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 outcome achievements 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., 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 future growth.

## Methodology

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The survey was developed by a joint committee of staff members and provosts from AASCU and staff members from Learning House.

The questionnaire was distributed to all chief academic officers of AASCU member institutions in March and April, 2013. All AASCU member institutions are four-year institutions. Response totaled 109 of 390 respondents, for a response rate of 28 percent. Based on the sample size, a difference of 14 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, if the total percent figure is substantially more than 100, it is because the question allowed the respondents to choose more than one option.

Three variables were used to check the representativeness of the sample of responding institutions: Carnegie classification, regional accrediting body, and size. With regard to Carnegie classification, the percentage of survey respondents in each classification are within a few percentage points of the population.

In regard to regional accrediting body, the Southern Association of Colleges and Schools (SACS) is slightly over-represented while the North Central and Northwest regions are slightly under-represented. Mid-size institutions having between 7,000 and 14,999 students were slightly under-represented.

A breakdown of institutional demographics is follows.

<i>Regional Accreditor</i>	<b>AASCU Membership</b>	<b>Respondents</b>
Middle States Commission on Higher Education	16.1%	17.3%
New England Association of Schools and Colleges (NEASC)	6.6	5.1
North Central Association of Colleges and Schools/Higher Learning Commission	32.6	43.9
Northwest Commission on Colleges and Universities	6.1	1.0
Southern Association of Colleges and Universities	32.4	25.5
Western Association of Schools and Colleges	6.3	7.1

<i>Size</i>	<b>AASCU Membership</b>	<b>Respondents</b>
Fewer than 7,000	50.4%	53.7%
7,000 to 14,999	34.5	26.9
15,000 to 25,000	12.2	14.8
Greater than 25,000	2.9	4.6

<b>Carnegie</b>	<b>AASCU Membership</b>	<b>Respondents</b>
Associate's: Private not-for-profit	–	–
Baccalaureate colleges: Arts & sciences	4.7%	3.1%
Baccalaureate colleges: Diverse fields	11.8	13.3
Baccalaureate/associate's colleges	2.9	4.1
Doctoral/research universities	6.8	3.1
Master's colleges and universities (larger programs)	40.8	41.8
Master's colleges and universities (medium programs)	14.2	11.2
Master's colleges and universities (smaller programs)	8.2	11.2
Not applicable/not in Carnegie universe (not accredited or nondegree-granting)	0.8	–
Other health professions schools	–	–
Other special-focus institutions	–	–
Research universities (high research activity)	9.5	12.2
Schools of art: Music and design	–	–
Schools of business and management	–	–
Schools of engineering	0.3	–
Theological seminaries: Bible colleges and other faith-related institutions	–	–

At the AASCU chief academic officer semiannual meeting July 26–27, 2013, four small group discussions were held with approximately 80 people participating in total. These discussions focused on issues raised in the survey, such as how institutions are overcoming faculty resistance, budgeting, and how the university is structured to provide online programs. Some of the information shared in these discussion groups is included as part of the recommendations at the end of the report.

## Partners

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**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.

**AASCU** is a Washington-based higher education association of more than 400 public colleges, universities and systems whose members share a learning- and teaching-centered culture, a historic commitment to underserved student populations and a dedication to research and creativity that advances their regions' economic progress and cultural development.

### Authors

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**Dr. 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 at Learning House. He leads in the development of custom and large-scale market research studies as well as 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.

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## References

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