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Funding for On-line Education

Draft Proposal from Sub-Committee: Flaherty, Hurley, Kinne, and Sandmann
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Definition: It is advisable to adopt the MnSCU definition of on-line education. That is, an on-line course meets no more than one session face-to-face; this is media code 03 on ISRS. Items below apply only to these courses.

Basic Fees: The current fee for on-campus students is approximately \$30 per credit; of this \$0.39 goes to MSSS and the rest is allocated to campus organization. We recommend that the basic fee for on-line courses remain the same \$30 per credit, with \$0.39 going to MSSS and the rest set aside for support of distance learning. Money would be allocated from this pool to agencies (for example, the library or ITS) that document expenses expressly associated with servicing distance learning.

Additional Fees: Graduate programs may charge differential tuition (contingent on University and MnSCU approval) and additional fees (contingent on University approval) to support their on-line offerings.

Start up incentives: This AY Academic Affairs dedicated up to \$75,000 in incentive funds to get up to five programs to start (or develop existing) on-line programs next fall. It is hoped that a similar RFP process will be available for at least one more year to help programs with start up costs.

Staffing:

- **In-load:** Credits to the department. This is a good option for programs that have relatively low enrollments in on-campus classes. This is a poor option for programs that have healthy enrollment in on-campus classes.
- **Overload:** Credits to extended campus. This is a good option for programs that have healthy on-campus enrollments and have faculty who desire overloads. However, the five credit maximum overload makes it very difficult for a program to offer a comprehensive curriculum through this method alone.
- **Packaged courses:** Credits to extended campus. Article 10, Subd. 6 of the current IFO/MnSCU Master Agreement allows for per credit hour per student compensation. For certain programs, this option could supplement in-load and traditional overload, and it would be particularly useful in high enrollment/high demand asynchronous classes.

- Other: Credits to extended campus. Extended campus will pay for an adjunct to teach an on-campus class to free a faculty member to teach an on-line course; this is a temporary staffing fix until the program generates enough revenue to hire additional staff (see below).

Generating resources to sustain programs:

- As mentioned above, some incentive money is available for programs for next fall. However, there needs to be a revenue stream for programs to refine, expand, and market their offerings. We propose a formula by which “surplus” revenue is returned to the program for reinvestment in distance learning. Some variation of the summer session funding model could be used, but given accounting problems a relatively simple formula like the one under discussion for F/S College, where a fixed sum per credit per student is re-allocated back to the program once a minimum enrollment is reached, may be preferable. Resources returned to the program would be fenced (used for distance learning) and have the ability to be carried forward; they could be used for adjunct, for GA’s, in some cases for fixed term faculty, for additional training and curriculum writing time for faculty, and for other costs directly associated with delivering on-line programs.

Qualifier:

Some will say these proposals seek to do on-line education “on the cheap,” but we are pragmatic enough to realize in this economic climate that creating new faculty lines tied to distance learning or finding resources for additional training and reassigned time is unlikely to happen. If our proposals are implemented, MSU will have a good start in achieving the distance learning priority.