Massive Open Online Courses (MOOCs) and Other Digital Initiatives

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MISSION, MOOCs, & Money

BY KENNETH C. GREEN

FORGET BASKETBALL AND MARCH MADNESS. Aside from always pressing financial issues, it is “MOOC madness” that has emerged as the topic du jour at a growing number of American colleges and universities. Indeed, in boardrooms all across the country, people are grappling with what the advent of MOOCs—massive open online courses—means to their institutions.

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TAKEAWAYS

1. MOOCs are just one point—although a large and visible one—on the continuum of online education, which is, in fact, expanding on campuses around the country. The number of students who have taken on or more online courses has risen significantly in recent years.

2. The main policy issue confronting most institutions regarding MOOCs will be to accept or not accept their certificates for course credit.

3. Rather than rushing to MOOCs, colleges and universities, and their boards, should engage in thoughtful discussions about the current or future role of online education in the context of their institutional missions.
How should they be thinking about—and perhaps rethinking—the delivery of their educational programs? What kind of investments should they be making in online learning? How might various approaches to MOOCs and online learning support the mission of their institutions?

Since their explosive “arrival” in fall 2011, MOOCs have been the subject of more than 100 articles and blog posts at the Chronicle of Higher Education and Inside Higher Ed. MOOCs have also benefitted from a steady stream of generally favorable reporting in the New York Times. In addition, in May 2012, the influential Times columnists David Brooks and Thomas L. Friedman each “blessed” MOOCs as a good thing for American higher education, noting that MOOCs are free and can reach thousands—and possibly even millions—of potential learners around the world. Friedman places MOOCs in the context of the confluence of college technologies: “Welcome to the college education revolution. Big pen when what meets is sary. The costs college degree rising faster those of health so the need to vide low-cost, quality higher education is more acute than ever...a generation that has grown up on [new] technologies is increasingly comfortable learning and interacting with professors through online platforms.”

Although Brooks expresses concern that “if a few star professors can lecture to millions, what happens to the rest of the faculty?” he states that there are “more reasons to feel optimistic. In the first place, online learning will give millions of students access to the world’s best teachers...Online learning could extend the influence of American universities around the world....Research into online learning suggests that it is roughly as effective as classroom learning.”

Some of the nation’s elite institutions have aligned themselves with various MOOC providers such as Coursera (coursera.org), edX (edx.org), or Udacity (udacity.com), among others. Alternatively, in November 2012, a consortium of elites—Duke University, Northwestern University, University of North Carolina at Chapel Hill, Washington University in St. Louis, and others—announced they would be working with the for-profit firm 2U (2U.com) on what might be seen as a counter-MOOC strategy, one more focused on “traditional” online education initiatives. In this model, academically qualified students at each institution can take certain courses online at any institution in the consortium for a fee and for credit. The courses will be open to about 15 to 20 students.

Yet for all the buzz about MOOCs, it is likely that a fair number of presidents, provosts, board members, and others in and around higher education who retain some memory of the dot.com/dot.edu era also have a sense of what Yogi Berra once described as “déjà vu all over again”: We’ve been here before, and not all that long ago.

**Points on a Continuum**

For many people, the current discussions about MOOCs—and by extension, the accompanying formal and informal conversations about mission, money, and online education—will recall similar conversations more than a decade ago when the emergence of the Internet was a catalyst for campus discussions about “going online.” In the dot.com/dot.edu era, and perhaps again now, the expecta-
tion among some observers is that going online has the potential to be highly profitable and “only” requires a syllabus, servers, and students willing to sit in front of screens (“eyeballs” in the lexicon of the dot.com era). Then, as perhaps now, administrators and board members at smaller or less-well-known institutions were concerned that by going online, elite institutions (“brands”) would disrupt the market for higher education and threaten their enrollments.

Alas, neither the anticipated easy money nor the threatened market disruptions materialized. While some of the campus and corporate ventures from the dot.com/dot.edu era survived and thrived, others — such as UNEXT’s Carden University, the British Open University, the British Open University efforts to launch in the United States, Fathom (launched by Columbia University), and AllLearn (a collaborative online venture involving Yale, Princeton, and Stanford Universities) — crashed and burned.

So given both notable successes and also some seemingly spectacular (and expensive) failures, what has changed over the past dozen years to sustain — indeed refuel — the interest in online learning? In other words, why MOOCs, and why now? How do they fit into the overall move toward online education? And, are things really different this time?

Let’s first acknowledge that the enabling technologies have improved dramatically — both the network infrastructure, such as consumer broadband and wireless access, and also the software applications that support online teaching and learning. Second, enrollment in online courses has grown significantly over the past decade, as reflected in data from the Babson Survey Research Group. The number of American college students who have taken one or more online courses has risen from 1.6 million in 2002 to 6.7 million students in 2011. Roughly one-third of all students have taken at least one online course, and, as I noted in a January/February 2011 article in Trusteeship, the search for new skills and credentials in a changing economy has been a major catalyst for the rise in online enrollments over the past decade. Now, according to the Babson study, almost 70 percent of academic leaders say that online learning is critical to their long-term strategy. (Please see boxes on the following pages for examples of the different approaches to online education that various colleges are taking.)

Moreover, the pipeline for undergraduates who have had prior experience with online learning looks promising, as a small but growing number of states now require high-school students to complete an online course as part of their curricula. Alabama, Florida, and Michigan now mandate at least one online course for high-school students; an online course requirement is also under discussion in Georgia, Idaho, and elsewhere.

However, lest we be consumed by MOOCs as the truly “new new,” it would be useful to recall that there is a long history of “technology enabled” free or low-cost courses from a variety of colleges and universities that dates back some eight decades, to the early days of both radio and television. Indeed, in their respective keynote addresses at an October 2012 Sloan-C conference, both Jack M. Wilson, president emeritus of the University of Massachusetts System who directed the launch of UMass Online, and Stanford professor and Udacity co-founder Sebastian Thrun each confirmed the placement of MOOCs as another point on the continuum of online education.

For example, during the 1920s and 1930s, several land-grant universities offered extension courses and home-study courses over the radio airwaves. During the explosive growth of television in the 1950s, CBS, in partnership with New York University, broadcast full college courses at 6 a.m. in its Sunrise Semester series. The first class, a comparative literature course, enrolled 177 for-credit students; another 120,000 people took it without credit. (CBS cancelled Sunrise Semester in 1982, replacing it with a morning news program.)

In 1976, Bernard J. Luskin, the founding president of Coastline Community College in California, led the development of the first “campus-less” community college, broadcasting college courses and leveraging local learning centers for student support and assessment services. (See box on page 15 for Coastline’s most recent online initiative.) Some observers, myself included, view Luskin

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**Presidents Express Strong Support for Online Education**

The majority of presidents AGREE that online ed will be a boon for enrollments and for revenue.

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**Pct. of presidents who “agree” or “strongly agree,” January 2011**

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as the father of MOOCs for his work at Coastline and later for his role as the chief academic operating officer of the accredited, for-profit Mind Extension University, which broadcast college courses over cable networks.

And now that MOOCs have emerged? As of this writing, MOOC-provider Coursera, founded by two Stanford professors, has 33 institutional (primarily American) partners, and offers some 209 courses. Udacity, lead by another Stanford prof, is promoting 19 courses, while edX, a collaborative initiative between Harvard and the Massachusetts Institute of Technology, lists nine courses from six institutional partners. In contrast, (and in response to my recent email queries) Google (which owns YouTube) reports that some 400 colleges and universities are currently posting “lectures and/or full courses online” on YouTube, while more than 1,000 institutions worldwide are posting courses to Apple’s iTunesU; over half of those courses are publically available.

**Mission and Money**

At this point, and in the context of emerging new online approaches like MOOCs, what do we know about how university presidents view “going online?”

The “Presidential Perspectives” survey of 956 campus and system presidents and chancellors that I conducted for Inside Higher Ed in winter 2011 reveals the following:

- Across all segments and sectors, a very solid majority of presidents believe that online education supports the mission of their institution and also provides an important opportunity for their institution to increase net tuition revenues.
- More than three-fourths (or 78 percent) of the surveyed presidents agreed/strongly agreed that “launching/expanding online education courses and programs provides a way for my institution to serve more learners.”
- More than two-thirds (69 percent) also agreed/strongly agreed that “launching/expanding online education courses and programs provides a way for my institution to increase (net) tuition revenues.”
- The percentage of presidents who viewed online education as being good for both enrollment and revenue was consistently high across all sectors, although slightly higher among public institutions than independent institutions and highest in community colleges.

While strong majorities of presidents agree that going online should be good for both enrollments and revenue, there is less evidence about just how much new net revenue online education actually produces—if any. For example, in a small

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**University of Southern California:**

**Residential Undergraduate and Graduate Programs; Online Graduate Program**

There was a time when cutting-edge distance education at the University of Southern California (USC) meant that students in the aerospace industry gathered together in a room to watch a professor in a television studio elsewhere give a lecture. The satellite transmission was beamed to them via microwave dish, and a landline telephone allowed students to call the teacher with questions and receive real-time answers. A courier carried assignments back and forth between the two locations. The university was one of the first in the country to offer this type of course.

C.L. Max Nikias, president of USC for the past two years, remembers well those days in the ‘70s. In 2001, when he became dean of the USC Viterbi School of Engineering, he began the move to online courses that much more closely resemble what students today have come to expect. Now, half of USC’s 18 graduate schools offer online degrees; within the next five years, all will do so. The institution’s professional, graduate, and continuing-education programs—which reach 5,500 today, with plans to double that in the next five years—bring in annual revenue of $114 million.

“I know how disruptive this technology is,” said Nikias, who was educated partly in his native Greece and was the founding director of two national research centers at USC: the National Science Foundation (NSF) Engineering Research Center (ERC) on Integrated Media Systems and the Department of Defense Center on Communications Signal Processing. He has been a driving force behind USC’s expanding online education programs, which have the strong support of the board’s roughly 55 members, as well as significant faculty buy-in.

“Institutions will have to decide what they want to be in the future,” he said in response to a query about the direction of the institution’s online programs, which serve only graduate students, charge the same tuition as on-campus programs, and require that students meet the same admissions standards as their on-campus peers.

“You must have an internal debate. How would you like to picture the institution in the future, based on everything you know today?”

His advice to the boards of other institutions is simple: “Stick to your principles and have a viable business model. “What is the mission of your institution?” he asked, and then answered it himself. “We want to be a key player in the area of lifelong learning.”

—Julie Bourbon
Southern New Hampshire University: Residential and Online Undergraduate and Graduate Programs

Southern New Hampshire University (SNHU), which boasts the fastest-growing online education program in the country, was reaching out to students beyond the usual boundaries long before the Internet made it even easier to do so. The institution, when it was still New Hampshire College, always had a strong continuing education program, as well as a relationship with the U.S. Navy that brought many veterans within the college’s orbit.

But, in the last five years, SNHU’s online enrollment has grown from several hundred students to over 23,000; revenues in that time have gone from less than $30 million to $121 million in 2012, with a goal of $200 million for the coming year. The institution’s “traditional” online operation, the College of Online and Continuing Education, operates out of a separate location from the brick-and-mortar campus (which enrolls about 2,000 students) and offers four-year degrees for about $38,000.

Its latest innovation, called College for America (CFA), will launch in January 2013, offering a two-year degree for $5,000 and a competency-based model (120 competencies and three task levels) that holds great appeal for older and returning students. Equally important as the sticker price for those students is that the CFA is the first program to be approved by regional accreditors and the first program to go before the Education Department for Title IV approval, according to SNHU President Paul LeBlanc.

That means that, should the program win Title IV approval, CFA students would become eligible for federal financial aid, including Pell Grants. For now, the CFA program will be working with employers such as Federal Express and the city of Memphis, Tennessee, which will enroll employees in the program. The public will continue to have access to the traditional online program.

Board Chair Robert DeColf'macker, now in his sixth year on SNHU’s board, expressed great enthusiasm for the new program, which has the whole board’s backing.

“We are a very engaged and strategic board, engaged at the right level,” he said of their involvement in this latest endeavor, for which they have high hopes. “But we also recognize that nothing is without risk.”

LeBlanc has enjoyed that support since he assumed the presidency nine years ago, and he has watched the university’s on-campus program grow as its online programs have taken flight—a process that has involved trial and error and will probably continue to do so for some time to come.

“The board’s role was to recognize the need for investment and patience,” said LeBlanc. “There’s a level of trust and tolerance. They allowed me to make mistakes. Because doing this work means getting it wrong before getting it right.”

—JB

2010 survey conducted by Campus Computing and WICHE Cooperative for Educational Technologies (WCET) of some 200 campus officials who were the operating officers for their institution’s online efforts, 45 percent were uncertain if their institution’s online efforts were profitable.

Of course, a major problem in determining the “profitability” of online initiatives is the institutional tendency to “borrow” essential infrastructure resources, coupled with the absence of tight accounting controls that identify true course and program development costs as well as real revenues. The instructional costs of the faculty members who teach and the administrative costs of the people who manage online courses and programs may be part of the balance sheet for departmental and institutional online initiatives. But too often the other direct costs of the instructional support staff (people who help move syllabi into online formats and who provide additional assistance to students and faculty members) and the technology infrastructure required to support online courses are not fully charged against the revenues for online education programs.

The Cash-Certification-Credit Conundrum

The emergence of MOOCs has been and will continue to be a catalyst for more discussions among presidents, provosts, trustees, deans, accrediting agency officials, and others about the quality of MOOC courses, the value of MOOC certificates, and the potential threat that MOOCs offered by elite institutions and their partners like Coursera and Udacity might pose to other segments and sectors. These new conversations are likely to focus on several questions:
Western Governors University:
All Online Programs

Now in its 15th year, Western Governors University (WGU) was one of the first online institutions, as well as one of the first to rely on a competency-based learning model, one that, in Jim Geringer’s words, “holds learning constant and lets time vary.”

Geringer was one of the founders of WGU while he was governor of Wyoming and is currently its board chair, as well as chair of AGB’s board. Active in 19 states, WGU boasts enrollment of more than 35,000 students. Students must pass an admissions test, but there is no minimum high-school GPA or standardized test score required. Geringer’s mantra might well be: expanding access, improving delivery, reducing costs. And in fact, WGU’s tuition of $5,800 has gone up only $200 in the last six years.

“We’re growing at 30 percent a year, and we’re not even beginning to tap the potential out there,” he said. That potential comes, in large part, from students whose needs are not being met by bricks-and-mortar institutions. A majority of WGU’s students are underserved, with ethnic minorities, people of low income, those living in rural areas, and first-generation college students making up 74 percent of the student body. The average student age is 36, and two-thirds of students work full time. In comparing WGU to traditional colleges, Geringer said, “Your goal and ours are the same: increase availability and access, and better the standing of people in society.”

The university is working furiously to achieve those goals, offering more than 50 undergraduate, graduate, and post-baccalaureate degree programs in vital workforce areas, including business, information technology, K-12 teacher education, and the health professions. Student concentrations are particularly high in California, Utah, Texas, Indiana, Georgia, and Florida, and all students are assigned mentors.

The prospect of returning to school can be daunting for older learners, Geringer said, but WGU’s emphasis on competency-based learning—which allows students to apply skills and knowledge they have already acquired and which they must demonstrate through assessments—can help ease the way. “What we try to stress is that knowledge you can demonstrate, regardless of the source, is more important than where you go to an institution,” he said.

To other boards, Geringer offers a caution about confusing the delivery of distance education with education itself. “This isn’t just technology. It’s enabled by technology,” he said. “In many ways, we’re helping reengineer higher education using technology as a tool.”

—JB

Yet for the vast majority of American colleges and universities, questions about offering MOOCs and affiliating with a MOOC provider such as Coursera, edX, or Udacity are, quite frankly, moot. Comparatively few of the nation’s more than 4,000 degree-granting American colleges or universities (or even the 525-plus institutions that enroll over 10,000 students and that, in aggregate, account for more than 50 percent of total headcount) have the personnel, instructional and technological infrastructure, reputation (brand), and available cash to invest in launching their own MOOCs—even if the institution aligns with a supporting entity such as Coursera, edX, or Udacity. Moreover, because MOOCs are, at present, free to students and generate no revenue for the institution, offering MOOCs will not provide a short- or mid-term path to significant new tuition revenues.

Consequently, the key questions that board members, presidents, and provosts confront in the conversation about MOOCs really involve certification and credit:

- How do/should we assess “prior learning” for students who come to us with a certificate of completion from a MOOC provider such as Coursera, edX, or Udacity?
- Assuming we can assess prior learning, should we give course credit to students who have completed a MOOC? And if so, for what courses and from which MOOCs?

In fact, over the short term and midterm, the main policy issue confronting most institutions regarding MOOCs will be to accept or not accept their certificates for course credit, (Similar issues will soon confront employers, who will no doubt be perplexed when job applicants present their MOOC certificates and college transcripts as part of their educational credentials.) And a big question about

- Should we MOOC?
- Could we MOOC?
- If we build a MOOC, who would come? (Would anyone come?)
- How would offering MOOCs serve the institutional mission?
- Would offering MOOCs generate any new net revenue for the institution?
- How would offering MOOCs complement, supplement, or compete with our current (or the absence of a current) institutional strategy for online education?
MOOC credit is if the course inventory of MOOCs complements, supplements, or competes with the current (on-campus and online) course catalog. For most institutions, MOOC courses—currently focused on higher-end science, engineering, and entrepreneurship—might supplement the course catalog. In this context, many colleges and universities may find policy precedents for MOOC credit in the way they assess AP courses, summer courses taken at another institution, or transfer courses.

But other issues loom large. For example, what happens when one or more of the MOOC providers begin to serve as a clearinghouse for core (typically large enrollment) undergraduate courses in introductory accounting, biology, economics, sociology, or other disciplines? What if, for example, Princeton University professor, Nobel economics laureate, New York Times columnist, and textbook author Paul Krugman were to offer an introductory economics MOOC hosted by Coursera? Let’s assume that Krugman’s MOOC included reasonably rigorous assessments leading to a certificate of completion that was affirmed by Krugman. Would or could Acme College deny its students an opportunity to enroll in Krugman’s MOOC in lieu of the introductory economics course offered by its own faculty?

The MOOCs also present multi-campus institutions and state systems with another “what if” issue regarding online vs. on-campus course development. At present, most multi-campus systems grant significant autonomy to individual institutions and departments to develop their own courses, both online and campus-based. In other words, multi-campus systems typically exercise little if any central control over the content or the assessment of the introductory anthropology, economics, or psychology courses taught at any of their campuses.

However, the emergence of MOOCs may be a catalyst for multi-campus systems to assert greater authority over the development of multiple online courses for the same subject. Rather than have each campus develop its own online widgets course, the system office may decide to invest in the development of a single, “MOOC-like” online widgets course for all the campuses. Individual institutions and departments might retain autonomy over traditional, campus-based courses, but the system would mandate the content and assessment of that single online widgets course.

**Issues for Trustees**

So what’s the appropriate role for board members in the current (or coming) institutional discussions about MOOCs?

Perhaps most important, trustees must understand that MOOCs really are just one point—if an admittedly large and very visible one—on the continuum of online education. The current publicity about large initial enrollments notwithstanding, MOOCs do not, at present, offer a quick and easy path to new revenues. Consequently, board members would do well to discuss the impact of MOOCs at their institutions in the context of their strategic goals and the current or future role of online education. The fundamental questions boards should be asking include:

- **Why are we online?** Is the movement to or expansion of online education consistent with the institutional mission? Does and will it serve and advance the institutional mission? Or is the key issue in the discussion about online education—including any conversations about MOOCs—money?
- **How do we assess quality?** that of our own online offerings and those of others, including the MOOCs?
- **What will it take to achieve our objectives in terms of online learning**—including human and financial capital, content expertise, the political will to change, and many other concerns?

Campus officials and board members who want to develop or expand online education efforts would do well to take a long-term, strategic view of issues and opportunities. Rather than rushing to MOOCs, they should have pragmatic discussions about market opportunities and anchor their conversations about online education in their institution’s fundamental mission.

**Coastline Community College: A Public Institution Approach**

In October 2012, California’s Coastline Community College announced an innovative partnership that will allow its students to enroll in out-of-state four-year institutions. Scheduled to launch in spring 2013, Coastline students will have new, online, path-to-degree options with the University of Massachusetts Online, Penn State University’s World Campus, and the University of Illinois in Springfield. Supported in part with a grant from the Gates Foundation, one unique aspect of this partnership is that Coastline students in California will not pay out-of-state tuition rates for their courses from UMass, Penn State, or Illinois. Although the Coastline partnership does not involve MOOCs, it may provide a model for other efforts, particularly among public institutions and community colleges, to offer students high-quality courses with a lower overall cost for a bachelor’s degree.