Digital Higher Education: How We Have Gotten to Where We Are Tells Us A Lot about Where We’re Headed

Martin Kich
Wright State University

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I will talk briefly about four phenomena in online education—online for-profit institutions, Western Governors University, MOOCs, and for-profit “educational providers” such as Pearson and McGraw-Hill and their smaller imitators such as Academic Partnerships. Understanding the connections between these phenomena is as important, I think, as understanding them individually. I will talk about them in a sequence that will, I think, suggest where we are now and where we are going in terms of both online education and the core issues confronting our academic institutions, in particular public colleges and universities, and our faculty unions.

Around 2000, college and university administrators across the United States began to warn their faculties about the looming and very dire threat posed by the growing number of largely online private for-profit institutions.

Between 2005 and 2009, 483 post-secondary institutions were newly accredited. Among those institutions, 77% were private for-profit institutions. In 2009, those institutions accounted for 26.2% of all accredited post-secondary institutions in the U.S. But, despite a 235% increase in enrollments at private for-profit institutions between 2005 and 2009, those institutions still accounted for only 9% of students enrolled in all post-secondary institutions in 2009.

Nonetheless, in 2010, 36% of total federal student aid was received by students attending private for-profit institutions. In 2010, at the University of Phoenix, 88% of the total institutional revenues were generated by federal student aid. (As a point of reference, the maximum allowable percentage is 90%.)

To put all of these numbers in some perspective, in 2009, the percentage of those enrolled in public four-year institutions who borrowed to cover college costs was 47%; the percentage of those enrolled in private not-for-profit four-year institutions who borrowed to cover college costs in 2009 was 61%; and the percentage of those in private for-profit four-year institutions was 81%.

Likewise, in 2009, the four-year graduation rate for baccalaureate students at all four-year institutions was 36.7%, but the rate varied considerably among the various categories of institutions. At private not-for-profit four-year institutions, the four-year graduation rate was 51.5%; at public four-year institutions, it was 30.7%; at private for-profit four-year institutions, it was only 12.7%. It is worth noting that at six years the
average graduation rate at public institutions increased to 56% but at private for-profit institutions, it increased only to 28%.

In 2010, the University of Phoenix had a total declared enrollment of 443,000, generated total revenues of $4.1 billion, produced a net profit of $598 million, and awarded 3,226 baccalaureate degrees. Only .7% of those students had earned their degrees in four years, and 5.6% had earned them in six years.

These statistics have led to what many have called the “bursting of the for-profit bubble” in American higher education. Increased government oversight has resulted in reports highly critical of the “industry” and has led to intensified media attention, both of which, in combination with over-saturation of what was probably always a much more limited market than it may have appeared to be, have led to 30% to 50% declines in enrollments and proportionate reductions in instructional and support staff at private for-profit institutions over the last two years. Despite the “bursting” of this “bubble,” online education has now become a central, rather than a marginalized, feature of post-secondary education. So, although the for-profit institutions may not be a long-term viable model, they have contributed greatly to the increasing corporatization of all of our institutions and the increasing privatization of our public institutions.

Western Governors University (WGU) is a non-profit online university co-sponsored and overseen by the governors of 19 states—all of the states of the Great Plains, Rocky Mountains, Great Basin, Desert Southwest, Pacific Coast, Alaska, Hawaii—and, most recently, Indiana. Since its founding in 1997, the enrollment has grown from 1,000 to about 35,000.

WGU is different from most universities--and from the online for-profits--in a number of fundamental ways. Students pay tuition for six-month terms (currently about $2,900 per semester) regardless of the number of courses that they complete in any given “term.” Upon enrollment, each student is assigned a “mentor,” or academic advisor, who oversees the student’s progress throughout his or her enrollment. Students must accumulate between 120 and 132 “competency units” in order to receive one of the four dozen or so baccalaureate degrees that the university awards. A student takes one “course” at a time, and all of the course modules and supplementary materials have been developed and are provided by corporate “educational providers” such as Pearson and McGraw-Hill. When the student feels that he or she has mastered the material and can demonstrate “competency,” he or she submits a “written work” that is evaluated by a “contracted evaluator” or takes an objective test developed by Pearson or McGraw-Hill and administered at a commercial testing center. In consultation with their mentors, students who believe that their previous education or professional experience has adequately prepared them to do so can either submit written work or take an objective exam to demonstrate competency even before opening a course module. So an individual student’s rate of progress toward a degree is largely if not entirely self-determined. This model is the exact opposite of the common use of cohort groups within specialized degree programs in conventional institutions.
Of course, the major thing missing from the entire WGU model is the faculty. Up until a decade or two ago, the awarding of credit for professional experience or for demonstrated competency was almost entirely confined to technical programs, which were once almost entirely confined to the associates level but have been increasingly expanded to the baccalaureate level. Those programs have been the mainstays of one of the three models of “Accelerated” or three-year baccalaureate programs, the “Prior Learning” model, which until very recently has been regarded as having dubious merit outside of the technical disciplines.

Now let’s move on to MOOCs – that is, massive online open courses.

The MOOCs have arisen from an even more altruistic intent, namely, to make quality education available not just at low cost but entirely free of cost to a much broader spectrum of “students,” and not just in the U.S. but internationally. These MOOCs are essentially digitally enhanced versions of the courses that used to air in the 1980s and 1990s on many PBC channels. In this case, however, the lectures are typically being delivered by “star” academics from elite institutions, rather than instructors at the local technical or community college. However altruistic the vision of the original developers may have been, MOOCs are very quickly being appropriated by the for-profit sector.

Earlier this year, several states, most notably Texas, have approved “pilot programs” through which students can complete some of their general-education or core requirements by taking MOOCs developed and provided by entities outside of the state’s universities. By this means, the for-profit “educational providers” pose a threat to our institutions much more serious than that ever posed by the for-profit institutions—because the “educational providers” are targeting not just some percentage of our students but control of the curriculum itself.

Accepting MOOCs as substitutes for general-education courses not only eliminates faculty from “general education,” but it very directly undermines the main source of revenue that sustains departments across the arts and sciences. How will departments pay for faculty to teach upper-level undergraduate and graduate courses – which often have small enrollments per section and thus relatively high cost -- if their revenue from high-enrollment general-education courses is reduced to some fraction of what it currently is? Many departments are operating on very thin margins as it is. And, more broadly, how will our colleges and universities retain any distinctive “branding” if the content of their most widely taken courses is uniformly provided by Pearson, McGraw-Hill, or some other provider?

If this seems like an overly dire vision of the future, consider how quickly we have become accustomed to the replacement of tenure-track positions by large numbers of contingent positions, some still full-time but the increasing majority, part-time.