

**UF ONLINE**

**ANNUAL REPORT  
2013-14**

**Submitted  
July 21, 2014  
by the  
Advisory Board for UF Online**

## **Executive Summary**

Under Florida law, the Advisory Board for the institute for online learning, which was subsequently named the Advisory Board for UF Online, is required to monitor, evaluate and report on the implementation of the plan developed by the University of Florida to offer fully online baccalaureate degrees at an affordable cost.

Based on a review of the data and information provided by the University of Florida, the Advisory Board has found that the implementation is on track, on time, and on budget.

## **About the Legislation**

Senate Bill 1076, signed into law in April 2013, established 12 standards for academic and research excellence to define preeminent public universities in Florida. The law directed the public postsecondary institution that achieves all 12 of the standards to develop and implement a plan to expand its offering of high quality, fully online baccalaureate degrees at an affordable cost. In June 2013, the Florida Board of Governors verified that the University of Florida was the only qualifying institution.

Under the law, the University of Florida is required to:

- Offer fully online baccalaureate degree programs beginning in January 2014,
- Accept qualified full-time, first-time-in-college students into fully online baccalaureate degree programs,
- Maintain the same rigorous criteria for admissions for fully online students,
- Apply the existing policy for accepting college credits of fully online students,
- Provide an online curriculum that is as rigorous as the on-campus curriculum,
- Offer multiple opportunities throughout the year for fully online students to enroll,
- Offer convenient locations for fully online students to fulfill requirements for site-based instruction, such as laboratories and clinical training, and
- Establish tuition at no more than 75% of residential tuition and include innovative pricing approaches.

## About the Advisory Board

Senate Bill 1076 required the Board of Governors to convene an Advisory Board of five members to support development of a comprehensive plan to expand the offering of fully online baccalaureate degree programs. Specifically, the Advisory Board is required to:

- Offer expert advice, as requested by the university, in the development and implementation of a business plan to expand the offering of high quality, fully online baccalaureate degree programs.
- Advise the Board of Governors on the release of funding to the university upon approval by the Board of Governors of the plan developed by the university.
- Monitor, evaluate, and report on the implementation of the plan to the Board of Governors, the Governor, the President of the Senate, and the Speaker of the House of Representatives.

The Advisory Board is comprised of:

- The chair of the Board of Governors or the chair's permanent designee,
- A member with expertise in online learning, appointed by the Board of Governors,
- A member with expertise in global marketing, appointed by the Governor,
- A member with expertise in cloud virtualization, appointed by the President of the Senate, and
- A member with expertise in disruptive innovation, appointed by the Speaker of the House of Representatives.

Initial members of the Advisory Board were:

- John Rood, Florida Board of Governors Chairman of the Strategic Planning Committee, who served as the designee of the Chair of the Florida Board of Governors.
- Carlos Alfonso, former Chairman of the University of Florida Board of Trustees and founder and Chief Executive Officer of Alfonso Architects, who was appointed by the Speaker of the House Will Weatherford.
- Dr. John Watret, Chancellor of Embry-Riddle Worldwide, who was appointed by the Florida Board of Governors.
- Ernie Friend, Director of Academic Systems at Florida State College at Jacksonville, who was appointed by Senate President Don Gaetz.

The Advisory Board elected John Rood as Chair and Carlos Alfonso as Vice Chair, and appointed Dr. Nancy McKee, Board of Governors Associate Vice Chancellor, as Interim Executive Director.

In December 2013, John Rood resigned from the Florida Board of Governors and Vice Chair Carlos Alfonso assumed the responsibilities of chair.

In April 2014, Ned Lautenbach, Chairman of the Innovation and Online Committee for the Florida Board of Governors, joined the Advisory Board, replacing John Rood as the designee of the Chair of the Board of Governors.

### **Major Milestones of the Advisory Board**

June 2013: The Florida Board of Governors designated the University of Florida as the qualifying postsecondary institution for the institute for online learning.

August 2013: The Florida Board of Governors convened the Advisory Board.

August and  
September 2013: The Advisory Board provided feedback on the draft plans to the University of Florida during multiple meetings and conference calls.

September 16, 2013: The Advisory Board unanimously voted to recommend the final plan to the Florida Board of Governors.

September 27, 2013: The Board of Governors approved the University of Florida's plan.

December 2013: The Advisory Board reviewed data and conducted a conference call with the University of Florida about the status of implementation.

January 31, 2014: The Advisory Board issued a progress report indicating the project was on track, on time, and on budget.

April 2014: The Advisory Board reviewed data and conducted an onsite meeting with the University of Florida about the status of implementation.

June 2014: The Advisory Board approved the annual report for UF Online, indicating the project remains on track, on time, and on budget.

### **Highlights of the Approved Plan**

Under the approved comprehensive business plan, the University of Florida will:

- Establish five fully online baccalaureate degree programs by January 2014,
- Expand the offering of online baccalaureate degrees to 35 by 2019, adding five new programs annually,
- Produce 40 general education courses by Fall 2014, 22 of which will be available in January 2014,
- Introduce a new learning management system to improve analytics on student learning,
- Provide extensive training for faculty and teaching assistants,
- Invest in support services to ensure success of online students,
- Provide 24/7 information technology support,
- Implement a comprehensive program to recruit and retain students,
- Launch a marketing plan to brand University of Florida Online,
- Implement pilot programs to explore innovations in learning, including adaptive learning, modular terms, social learning, mobile learning, personalized pathways, and competency-based learning,
- Implement pilot programs to explore innovations in tuition structure, including block tuition, annual tuition, and differential tuition by degree, hours enrolled, and grade/ grade improvement,
- Establish a budgeting model that reduces cost-per-pupil as enrollment grows.

### **Status of Implementation**

#### Organizational Structure

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The approved business plan established UF Online under the Provost for Academic Affairs. This centralized office is responsible for production and management of courses, coordination of student retention services, faculty development for online education, and quality assurance. Faculty within the colleges control content, deliver

instruction, and award credit. Divisions, including information technology, enrollment management, student services, and undergraduate affairs, provide services.

The plan called for UF Online to be led by an Executive Director. After a nationwide search, the university hired Dr. Betty Phillips, former provost of Arizona State University. Dr. Phillips served in the post from January 1, 2014, to March 1, 2014, when she decided to return to her research in personalized learning.

The University of Florida is currently reevaluating the original organizational structure. The new structure would consolidate all online degree programs, including undergraduate, graduate, and flex course programs, under the centralized office. The partnership with Coursera, conferences, and not-for-credit courses, would also be managed under the centralized office. The new organizational structure also includes a research institute.

The University of Florida is also reevaluating the job description of the Executive Director based on the new organizational structure.

Since the legislation was enacted, the implementation has been led by Associate Provost Andy McCollough with a team of University leaders, faculty, and creative professionals.

Despite challenges finalizing the organizational structure, the University of Florida has successfully implemented the plan to launch UF Online on time and under budget.

## Online Degrees

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The original plan called for the University of Florida to launch 35 degree programs online by academic year 2018-2019.

The University of Florida successfully launched five fully online baccalaureate degree programs in January 2014. The degree programs are a Bachelor of Arts in Business Administration, Bachelor of Science in Health Education & Behavior, Bachelor of Science in Sport Management, Bachelor of Arts in Criminology & Law, and Bachelor of Science in Interdisciplinary Studies – Environmental Management in Agriculture & Natural Resources. These baccalaureate programs were existing 2+2 completion programs which offered upper division courses for students with an Associate Degree. Some adjustments have been made to the plan for degree programs in future years, which are detailed in the chart below.

2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Business Administration	Biology	Industrial Engineering	Civil Engineering	Chemical Engineering	Food Science & Human Nutrition
Sports Management	Psychology	Accounting	Public Relations	Journalism	Economics
Criminology & Law	Telecommunications	Sociology	Elementary Education	Architecture	Electrical & Computer Engineering
Health Education	<u>Geology</u> <del>Mechanical Engineering</del>	<u>Nursing</u> <del>Microbiology &amp; Cell Science</del>	<u>Microbiology &amp; Cell Science</u> <del>Chemistry</del>	<del>Computer Science</del> Computer Science	Animal Science
Environmental Management	<u>Computer Science</u> <del>Nursing</del>	<u>Political Science</u> <del>Physiology &amp; Kinesiology</del>	<u>Physiology &amp; Kinesiology</u> <del>Health Science</del>	<del>Political Science</del> Political Science	History
		<u>Geography</u>	<u>Mechanical Engineering</u>		

Two new degree programs were added to the plan. Geology will be offered beginning in 2014-2015 and Geography will be offered beginning in the 2015-2016 academic year.

UF Online is on track to add five new baccalaureate degree programs for the 2014-2015 school year. Those programs include Biology, Psychology, and Telecommunications Media and Society. Nursing and Mechanical Engineering, which were in the original plan, were replaced by Computer Science and Geology.

Biology and Psychology are the most popular degree programs on campus. The launch of Computer Science was accelerated by three years based on student demand and workforce needs. Geology was added because graduates have a high rate of success in the job market, and challenges with laboratories were overcome with the innovative use of 3D printing to replicate rocks used for experiments.

The planned launch of several degree programs has been adjusted:

- Political Science moves up two years, from 2017-2018 to 2015-2016;
- Nursing moves back one year, from 2014-2015 to 2015-2016;
- Microbiology & Cell Science and Physiology & Kinesiology move back one year, from 2015-2016 to 2016-2017; and
- Mechanical Engineering moves back two years, from 2014-2015 to 2016-2017.

Two programs in the original plan – Chemistry and Health Science both contemplated for launch in 2016 – 2017 – are being reevaluated for delivery in later years.

Changes to the selection of online degree programs are based on student demand, workforce demand, and ability to deliver an online program comparable to an on-campus program.

### Course Production

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UF Online has produced 78 new or redesigned courses, which is significantly more than the 48 courses proposed in the plan. The offering includes 30 general education courses and 48 upper division courses for degree programs. Of the total, 33 were existing courses in the 2+2 degree completion program that were redesigned to improve the student learning experience.

The University of Florida is producing an additional 22 online courses for launch in Fall 2014, including seven in Psychology, four each in Biology, Telecommunications, and Computer Science, and three in Geology.

The average cost to develop and produce a three-credit course is \$21,000, which is well below the average cost of \$36,500 estimated in the plan. However, it should be noted that the cost for courses will increase as more features are added during the next year. Additionally, the average cost of courses is expected to rise next year with the production of new lab and STEM courses which typically cost more to develop.

### Faculty/Teaching Assistant Development

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The University of Florida hosted a conference on online learning on December 4, 2013. More than 300 members of the faculty participated in the event, which included presentations, panel discussions, and collaborative workshops.

UF Online requires faculty to complete the Faculty Institute, which is an online, 8-10 hour, self-paced course on online teaching. Previously, the training was optional.

UF Online launched a new Teaching Assistant Institute which is required professional development for teaching assistants before supporting an online course. The professional development program teaches assistants how to provide a high quality learning experience in an online environment, including managing content modules, the importance of timely responses to students, and the use of more frequent low stakes assessments to maintain student engagement and progress.

### Student Affairs

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The University of Florida launched an online orientation for students enrolling in the fully online, four-year baccalaureate programs. The orientation consists of four modules, ten videos, and more than 50 pages of information. To apply for their student identification cards, students must earn an 80% or higher on a quiz at the end of orientation. The University of Florida authenticates student identity using video conferencing.

Approximately 120 students have completed the online orientation to date. At the end of orientation, 94% of students registered for classes, close to the 98% rate of students who register for classes after the face-to-face orientation.

### Information Technology

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UF Online has made significant improvements in its information technology infrastructure and support services, including:

- Converting 80% of the online courses to a new learning management system, Canvas;
- Training faculty to use the new learning management system;
- Creating a virtual computer lab where fully online students can access licensed software for free;
- Providing fully online students with Microsoft Office 365;
- Expanding helpdesk services to provide 24/7 technological support; and
- Updating the email system for fully online students.

The university continues to work through complex contracting issues which are the result of a shift in the software industry from bulk or per license purchasing to subscription based models.

### Marketing, Recruitment and Retention

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The University of Florida partnered with Pearson Learning to provide marketing and recruitment of fully online students. Pearson also provides support services to engage and retain students.

Pearson Learning manages a call center located in Orlando with 16 staff dedicated to recruitment, enrollment, and retention for UF Online.

Pearson redesigned the website and developed branding with an integrated message used across multiple mediums: “Be Better. Be a Gator.” Pearson is managing social media and optimizing search engine marketing. Radio ads are being broadcast in Orlando, Jacksonville, San Diego, Atlanta, and Norfolk media markets.

Pearson is on track to meet or exceed benchmarks for performance.

### Enrollment

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In spring 2014, UF Online had enrolled 596 students, including 94 new transfer students and 502 students who were migrated from existing online 2+2 completion programs.

University of Florida established a “one-stop-shop” with four full-time employees dedicated to processing applications for online students.

As of July 1, 2014, UF Online had received more than 15,500 requests for information from prospective students. Nearly sixty percent of prospective students were Florida residents. The greatest interest from outside the state came from California, Georgia, New York, and Texas.

Of the pool of prospective students, 30% were first-time-in-college students and 70% were transfer students. Of the transfer students, 30% had already attained an Associate Degree. Degree programs in Business, Psychology, Criminology, and Health Education continue to garner the highest interest of prospective students.

As of July 1, 2014, the University of Florida had received 1,386 applications for the Fall 2014 online four year baccalaureate programs, including 133 applications from first-time-in-college students and 1,253 applications from transfer students. For first-time-in-college applicants, 27 were admitted, 37 were denied, and 61 were under review. For transfer applicants, 264 were admitted, 263 were denied and 690 were under review.

UF Online is evaluating the ability to offer three sessions, including one 16-week session and two 8-week sessions, within the semester.

### Tuition

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The University is exploring innovative approaches for setting tuition to incentivize acceleration and completion, including block tuition, guaranteed fixed tuition and a graduation rebate program.

### Revenue and Budget

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As of June 30, 2014, UF Online has exceeded projected revenues and remains well under budget for 2013-2014.

The migration of students from the 2+2 completion programs into UF Online caused a significant increase in the revenue from initial projections. These students received the reduced tuition and fees required under the law, providing them with a significant cut in their costs.

<b>Revenue</b>	<b>2013-2014 Projection</b>	<b>2013-2014 Actual</b>	<b>Actual as a Percent of Projection</b>
<b>Tuition</b>			
In-State	\$ 115,840	\$ 577,710	499%
Out-of-State	\$ 159,840	\$ 5,757	4%
Financial Aid	\$ (7,352)		
<b>Subtotal</b>	<b>\$ 268,328</b>	<b>\$ 583,467</b>	<b>217%</b>
<b>Fees</b>			
Technology	\$ 7,352	\$ 21,489	292%
Capital Improvement Trust Fund	\$ 9,467	\$ 35,395	374%
Financial Aid	\$ 7,352	\$ 34,101	464%
<b>Subtotal</b>	<b>\$ 24,171</b>	<b>\$ 96,985</b>	<b>401%</b>
<b>State Subsidy</b>	<b>\$ 15,000,000</b>	<b>\$ 15,000,000</b>	<b>100%</b>
<b>Total</b>	<b>\$ 15,292,499</b>	<b>\$ 15,680,452</b>	<b>103%</b>

The cost of enrollment management increased due to start-up marketing expenses. The cost of overhead, facilities operations, library and student services primarily increased due to the migration of students in the 2+2 completion programs to UF Online. Some restatement of budget numbers and full recognition of expenses for the fiscal year results in a net margin of \$7,611,662.

<b>Expenses</b>	<b>2013-2014 Budget</b>	<b>2013-2014 Expenditures</b>	<b>Expenditures as a Percent of the Budget</b>
<b>Non-Recurring Expenses</b>			
Initial Production	\$ 1,044,000	\$ 1,292,721	124%
Upgrades	\$ -	\$ -	
Equipment	\$ 500,000	\$ 51,609	10%
Enrollment Management & Marketing	\$ 600,000	\$ 678,332	113%
Student Services	\$ 400,000	\$ 391,711	98%
Technology	\$ 1,000,000	\$ 277,901	28%
Facilities Debt Service	\$ -	\$ -	
Overhead	\$ 189,274	\$ 189,274	100%
<b>Subtotal</b>	<b>\$ 3,733,274</b>	<b>\$ 2,881,548</b>	<b>77%</b>
<b>Recurring Expenses</b>			
Delivery	\$ 650,771	\$ 617,537	95%
Direct Administration	\$ 520,000	\$ 477,014	92%
Enrollment Management & Marketing	\$ 449,169	\$ -	0%
P3	\$ 3,641,408	\$ 3,662,983	100%
Overhead	\$ 81,836	\$ 75,826	93%
Technology	\$ 1,197,471	\$ 276,069	23%
Facilities Operations	\$ 34,318	\$ 31,798	93%
Library	\$ 17,984	\$ 16,663	93%
Student Services	\$ 31,678	\$ 29,352	93%
<b>Subtotal</b>	<b>\$ 6,624,635</b>	<b>\$ 5,187,242</b>	<b>78%</b>
<b>Total</b>	<b>\$ 10,358,359</b>	<b>\$ 8,068,790</b>	<b>78%</b>