The Costs of Online Education: Differentiating Tuition and Fees

Dr. Pam Northrup, Associate Provost & Executive Director
OUR CHARGE

- Recruit and retain adults to degree completion
- Recommend streamlined strategies for admissions and registration
- Identify applicable cost components of distance learning
- Connect adults to careers in Florida
36% of students in the State University System in Florida are enrolled in online courses.
Distance Learning Defined

• **Distance Learning Courses** are defined in Florida as a course in which at least 80 percent of the direct instruction of the course is delivered using some form of technology, when the student and instructor are separated by time or space, or both.

• **Distance learning Fee** FS 1009.23(16)(a). ‘The amount of the distance learning course fee may not exceed the additional costs of the services provided which are attributable to the development and delivery of the distance learning course.’
Direct Instruction

Other Direct Salaries

Support Service

Technology and Infrastructure

Other

Other Direct Expenses

Applicable Cost Components
## Cost Components

<table>
<thead>
<tr>
<th>Category</th>
<th>F2F</th>
<th>OL</th>
<th>Cost Lever</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Instruction</td>
<td>same</td>
<td>same</td>
<td>Remains constant</td>
</tr>
<tr>
<td>Facilities</td>
<td>higher</td>
<td></td>
<td>Distance learning design units, offices, support staff, some study space for students</td>
</tr>
<tr>
<td>Other direct salaries</td>
<td>higher</td>
<td></td>
<td>Instructional Designers (content development, maintenance) Media Designers (graphics, visuals, videos) Design Team Professional Development</td>
</tr>
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</tbody>
</table>
| Other direct expenses            |      | higher | Faculty Professional Development  
|                                  |      |       | Faculty Support  
|                                  |      |       | Purchased Content  
|                                  |      |       | Proctoring  
|                                  |      |       | State Authorization  
|                                  |      |       | Library Materials  |
| Technical & infrastructure       |      | higher | LMS Costs (portion)  
|                                  |      |       | Other software, tools and add-ons to support online learning  
| Support                          | similar | similar | Academic Tutoring Services  
|                                  |       |       | Student Services (Help Desk)  
|                                  |       |       | ADA Services  
|                                  |       |       | Library Services  |
| Other                            |      |       | Various office materials, facilities upgrades, institutional category  
|
National Approaches to Differentiating Tuition and Fees

- Taking programs to scale
- eRate System Model
- All Fees + Distance Learning Fee
- Reduced Fees for Fully Online Students
- Subscription Pricing/Fixed Flat Rate
- System Shared Pricing for Collaborative Programs
# National Approaches to Differentiating Tuition and Fees

<table>
<thead>
<tr>
<th>Institution</th>
<th>Regular Tuition &amp; Fees</th>
<th>DL Tuition &amp; Fees</th>
<th>Model Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle Georgia State College</td>
<td>298.67 (sh)</td>
<td>129.67 (sh)</td>
<td>eRate (by institution)</td>
</tr>
<tr>
<td>University of Georgia: General Business</td>
<td>847.50 (sh)</td>
<td>536.00 (sh)</td>
<td>eRate (by program)</td>
</tr>
<tr>
<td>Oregon State University</td>
<td>191.00 (sh)</td>
<td>271.00 (sh)</td>
<td>All fees + DL fee</td>
</tr>
<tr>
<td>Arizona State University</td>
<td>868.00 (sh)</td>
<td>553.00 (sh)</td>
<td>Reduced fees. Assessed DL fee, tech fee, financial aid</td>
</tr>
<tr>
<td>Northern Arizona University Personalized</td>
<td>N/A</td>
<td>2,500.00 six month</td>
<td>Competency model, flat six month rate</td>
</tr>
<tr>
<td>Georgia eMajor</td>
<td>N/A</td>
<td>250.00 (sh)</td>
<td>Shared across system</td>
</tr>
</tbody>
</table>
Recommendations

• **Develop a Complete Florida Rate**
  – Includes *reduction of specific fees* for fully online students and a distance learning fee.

• **Fixed Cost Competency-Based Program**
  – Single per semester cost enabling students to take as many courses as possible during each term.

• **Complete Florida Shared Program Rate**
  – Collaborative program, multiple institutions contribute courses (opt in) for delivery of a single degree program. No textbook, use of open educational resources, use of Prior Learning Assessment
For more information:

Dr. Pam Northrup
pnorthru@uwf.edu