December 1, 2000

To: Jeff Richardson, Chair of CCHE’s CIO Council

From: Dave Clark and Ed Bowditch, CSU System Office

Subject: CSUS Comments on Distance Education Proposal

The CSU System appreciates the opportunity to comment on the Distance Education Report as contained in the November 2, 2000 CCHE agenda under “Written Reports for Possible Discussion.”

We wish to compliment CCHE for your collaborative approach to identifying important issues associated with distance education in Colorado. Membership of the six task forces reflected an excellent cross-section of institutions and functions within them. By including academicians, information technology experts, financial authorities, and distance education educators in these discussions, CCHE obtained informed and broadly-based perspectives on many of the issues regarding distance education in Colorado.

We agree that Colorado is ready to expand its distance education efforts and believe that critically important first steps have been taken. The CSU System looks forward to further collaborative efforts to bring about the objective of maximizing distance education capabilities for the benefit and utilization of the citizenry of the State of Colorado.

In recognition of the importance of the subject Distance Education Report, we asked member institutions of the CSU System to carefully review and comment upon it. The following remarks forward the comments of the CSU System as a whole, having considered and incorporated input from Colorado State University, the University of Southern Colorado and Fort Lewis College, which institutions, although having widely varying roles and missions, were in agreement on the major points of the report.

We hope that these comments will be helpful in identifying areas of clear consensus and for further consideration in anticipation of open session discussion by the CCHE of the Distance Education Report’s recommendations.

➢ Areas of Consensus

The CSU System is eager to participate in statewide efforts to coordinate distance education and unreservedly supports the following motions:

1. Issuance of a Request for Proposals for outsourcing distance education support services.

2. Participation in the State portal project.

8. Development of intellectual property policies.

Areas for Which Further Consideration Is Recommended

The CSU System conditionally supports the following motions concerned with financial aspects and offers comments to clarify our concerns. It will be important for the Chief Financial Officers and the Directors of Extended Studies programs to participate in activities resulting from these three motions.

4. **Exploring mechanisms to provide sustained State funding of coordinated statewide distance education programs.**

We certainly support the recommendation to explore funding mechanisms. We do have concerns, however, about proposals that (a) tuition rates be the same for on-campus and distance education courses, and (b) distance education fees should be charged to all students, because:

- Levying of fees on all students would be inequitable because it assumes the use of distance education by all students.

- Mandating that tuition be the same for distance and resident instruction courses does not appear to take into account the higher costs and additional revenue needs associated with quality distance education programs to meet existing and special needs.

To create a successful activity, we feel that the State should commit to supporting distance education from new revenue sources instead of taxing existing programs.

5. **Development of cost models and cost accounting for distance education.**

We support development of thorough cost benefit models and their application to selected distance education programs. We would be concerned if the intent is to apply generic standards to a highly complex and variegated set of distance education offerings where there may be limited relationship between cost and pricing. An analysis of cost benefit is only one dimension of costing and, without factoring in market factors, it would be difficult for institutions to develop desirable entrepreneurial approaches.

7. **Development of criteria for State funding of distance education programs.**

We support development of criteria for State funding of distance education.

Before adopting the specific criteria recommended in the report, however, we recommend that the Distance Education Coordinating Council be charged with conducting and analyzing a thorough market survey to ascertain that the criteria are market driven. Given the critical importance of distance education being responsive to market needs, we recommend that this market survey be a very high priority and that it be funded by the CCHE.

Recommendations for Modifications to Motions

The CSU System proposes changes to Motions 3 and 6:

3. **Establishment of the Distance Education Coordinating Council (DECC) as an advisory group to CCHE.**

The CSU System concurs with the establishment of a DECC. We perceive this as being of critical importance to expanding and improving distance education offerings in Colorado. To be most
responsive and effective, however, we believe that the DECC should focus on coordinating, identifying and meeting new program needs without adding administrative burden.

Further, to be effective we believe that the DECC must report to the CEOs rather than the CCHE, thereby placing responsibility with the CEOs of the systems, who deliver the distance education, for coordination of distance education, including administration of grants to develop specific courses. We further recommend that the person assigned by CCHE to help coordinate distance education report to the DECC, and be supported by State appropriation or distance education revenues, believing that any alternate proposal would ultimately result in lower funding of resident instruction, an area that can ill afford reductions.

This recommended organization recognizes the critical role and resources of the institutions of higher education in delivering courses as a distance. It is our opinion that this arrangement would be more responsive to the needs of students, to market forces, to appropriate institutional-specific variations in extended studies programs and integration with resident instruction programs, consistency with budgeting processes, and coherence with local policies and procedures.

6. Examination of policies affecting distance education tuition and fees.

Given the variable nature of distance education courses and audiences, we have grave concerns with requiring that tuition for distance education be the same as for resident instruction. In addition to our concern that it is not appropriate to assume that all students will use distance education, we believe it is essential that more consideration be given to funding the development, production and delivery costs of quality distance education programming. It is very important to all of us that resident instruction funding and programming not suffer because of revenue needs associated with distance education.

➢ Additional Comments on Market Survey

Many of the motions would result in a significant increase in distance education offerings. It would be programatically and fiscally prudent to determine the market demand for such additional offerings by addressing such questions as:

a. Is there demand for additional distance education offerings, or will we be just increasing the level of competition for each other’s distance students?

b. Which subject areas are being under served or not served?

c. Which populations are being under served or not served?

d. Which subject areas would be most beneficial for and suited to increased offerings?

e. Is there sufficient additional revenue to fund the new, central activities that are proposed?

f. Is there demand for higher quality offerings at greater cost? What is the spectrum of demand vs. supply of offerings, overlaid on the spectrum of quality and costs?

The benefits accruing from a well-executed and comprehensive marketing survey and analysis would immeasurably facilitate informed prioritization, decision making, and programming implementation.

➢ Summary

The CSU System is eager to participate in the coordination of distance education.
We opine that this is best accomplished via the creation of the DECC as an advisory and coordinating entity. We feel that distance education offerings should be strongly market-based and responsive to the diverse needs of Colorado’s citizenry. Therefore, we endorse the conduct of a thorough market survey to inform and provide further direction and coherence to the activities of the DECC, CCHE and institutions of higher education in support of quality distance education in the State of Colorado.

Finally, it is important that any funding of distance education not adversely affect the general funding of higher education, or impose any additional taxes or fees upon students.

Thank you for considering our comments and we look forward to participating in the discussions and activities to follow.

CC: CEOs of CSU System