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# *Report of Progress Toward Development of the Plan Required in § 23.1-909 for a Cooperative Online Degree Program*

*Submitted by*

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## Executive Summary

§ 23.1-909 requires the Secretary of Education and the Director of the State Council of Higher Education for Virginia (SCHEV) to report, by October 1, 2016, their progress toward development of a plan for a “combined cooperative degree program” whereby any enrolled undergraduate student at any public or private nonprofit institution of higher education may complete a degree program online “at a tuition cost not to exceed \$4,000, or such cost that is achievable, per academic year.” Enacted in 2015, this statute codified House Bill 2320, which was introduced by Delegate Ben Cline, passed unanimously by both chambers and signed by Governor Terry McAuliffe.

Education Secretary Dietra Trent and SCHEV Director Peter Blake applaud Del. Cline and the 2015 Virginia General Assembly for their commitment to affordability, and to students generally, and for positing this innovative, ambitious idea for the Commonwealth to consider. The administration, the secretariat and SCHEV share your commitment to access, affordability and innovation, and view the concept of a collaborative, low-cost, online degree program as a unique opportunity to pursue those commitments simultaneously.

Following consultation with the Commonwealth’s two-year and four-year public and private nonprofit colleges and universities, and following extensive review of the capacities of our institutions, of potential models (and lessons learned) in other states and of the results of national surveys and expert analyses published by practitioners and think tanks, Dr. Trent and Mr. Blake offer the plan summarized below as their conclusion regarding the most feasible course of action for creation of a “cooperative combined degree program” that can be made available online to undergraduates at lower cost than traditional on-campus matriculation.

**The Education Secretary and the SCHEV Director recommend that, to achieve the goals of § 23.1-909, the Commonwealth support the in-development Online Virginia Network (formerly the Virginia Degree Completion Network), with the expectation that the effort will be scaled up over time to encompass many of the key features contemplated in the statute.** Dr. Trent and Mr. Blake believe this strategy is the most prudent and most likely means to accomplish the legislation’s dual ends: (i) a coordinated, statewide, online degree-completion system; and (ii) a reduced cost to students and families.

The Online Virginia Network (OVN), as outlined in the Fall 2016 document, *Online Virginia Network: State Report and Proposal* (LIS No. 275), from George Mason University (GMU) and Old Dominion University (ODU), represents a natural and efficient starting point on which to build the lower-cost online degree-delivery platform envisioned in § 23.1-909. In fact, its initial focus solely on degree completion for adults with prior credits has been broadened – in direct response to the statute – to ultimately provide wider availability of online courses and degree programs for all students. The first sentence of the OVN business plan begins with the statement, “The network is open to all Virginia students,” which captures fully the intentions of § 23.1-909. Dr. Trent and Mr. Blake believe they would be remiss to recommend a separate plan that would be neither necessary nor cost beneficial for the Commonwealth.

Among Virginia’s public four-year institutions, ODU is the major provider of online courses and degree programs. As such, the university has deep investments in relevant personnel and infrastructure that the Commonwealth need not duplicate in pursuit of a cooperative online degree program. GMU also has a strong presence in the online space, offering five degree programs in high-demand, high-wage STEM fields. Equally important, its administration is committed to enhanced participation in online education, “next generation” seamless transfer of academic credits and targeted student services.

Moreover, Gov. McAuliffe and the 2016 Virginia General Assembly have already allocated substantial sums – \$1 million in FY2017 and \$2 million in FY2018 – for SCHEV to work with GMU and ODU on a project that *Chapter 780*, Item 146 O.2., describes as “a plan for the Network to serve ... students seeking access to an on-line degree program that is more cost-effective than a traditional degree.” Again, Dr. Trent and Mr. Blake believe that the Commonwealth’s best interests are served by seeking to fulfill § 23.1-909 via the proposed Online Virginia Network rather than by duplicating that very similar effort and expending additional, redundant resources to do so.

Review of the current landscape of online education in Virginia and relevant research published on the subject convinced Dr. Trent and Mr. Blake that a scale-up approach is more likely to be successful than an attempt to implement online statewide delivery of every degree program all at once. For one, the majority of the Commonwealth’s nonprofit colleges and universities currently do not offer any degree programs online. To increase significantly the availability of online courses and degree programs will require tremendous resources, infrastructure, expertise and time.

Second, within a “combined cooperative degree program”, the “cooperative” component should be developed prior to and during institutions’ internal efforts rather than after. As illustrated in recent research from New America and Education Sector, states should follow and achieve sequentially a set of five steps in their creation of major, inter-institutional degree-completion platforms. The statute’s desired online program constitutes the fourth requisite step; and, the business plan for the Online Virginia Network outlines the proposed pursuit of the activities called for in the first three steps and offers timelines and cost estimates.

Thus, Dr. Trent and Mr. Blake concur with New America analyst Rachel Fishman who, in her 2013 report *State U Online*, asserts that this model “works only if states combine and streamline existing efforts in order to achieve a fully articulated system where students can move ... among institutions ... . This way, states can ensure that their online systems are on a strong footing that will help them climb the steps toward effective, sustainable online efforts.”

**Therefore, to initiate a “combined cooperative degree program” that will be offered online and at lower overall cost to students, the Secretary of Education and the SCHEV Director propose a three-part plan to be implemented over the next five years whereby:**

- 1) The Online Virginia Network (formerly, and in Chapter 780, known as the Virginia Degree Completion Network) is designated formally during the 2017 legislative session as the vehicle through which the online program sought in § 23.1-909 is to be implemented.**
- 2) SCHEV, GMU, ODU and all subsequent partners in the OVN are directed to develop the network so as to facilitate its growth and expansion over the next five years into the “combined cooperative degree program” envisioned in the statute. OVN partners will work together to:**
  - a. create a clearinghouse of currently-offered online courses and degree programs that prospective and continuing students can easily search;**
  - b. pursue shared-service contracts for learning management systems and faculty development resources that are proven effective in online education; and**
  - c. standardize, and perhaps centralize, support services (e.g., academic advising; financial-aid advising; e-tutoring) targeted at online learners.**

- 3) Simultaneous with institutions' development of the OVN, the executive and legislative branches and SCHEV will work together over the next five years to:**
- a. create a sustainable, efficient cost structure for the network that supports online delivery of degree programs that are in demand by in-state students and employers;**
  - b. provide incentives and support for faculty to develop online courses, to deliver courses electronically and to undertake professional development and training to meet the different, various and unique needs of online students;**
  - c. collect robust data on online students to better understand their enrollment decisions, patterns and outcomes and to inform assessment and improvement of the network's outcomes;**
  - d. continue to implement and refine Virginia's already-robust articulation agreements to ensure that credits earned by students follow them between and among institutions and count toward their timely completion;**
  - e. ensure that students' needs are met before, during and after enrollment in the network through tailored, online-specific student support systems and learning management systems; and**
  - f. encourage expanded availability of and participation in dual enrollment, prior-learning assessments (e.g., Advanced Placement and International Baccalaureate) and the Two-year College Transfer Grant (CTG) program, as well as institutional adoption of innovative course and credit delivery (e.g., competency-based modules; massive open online courses/MOOCs offered for free or little cost; and/or experiments with awarding credits and/or financial aid differently).**

Taken together, these steps will allow all stakeholders to work simultaneously and collaboratively to bring the program envisioned in § 23.1-909 to fruition, while addressing the issues of costs, faculty buy-in and student needs. Institutional leaders support this scale-up approach targeted at in-state students and high-demand degree programs that will allow them to participate voluntarily and in the form and to the extent feasible in accordance with their missions, capabilities and resources.

Dr. Trent and Mr. Blake acknowledge that the tenets of their plan do not guarantee the specifics prescribed in the statute for the "combined cooperative degree program;" nevertheless, they are convinced that their proposal will allow the Commonwealth to address readily or avoid completely the legal, regulatory, administrative and financial challenges and impediments entailed by a literal interpretation of § 23.1-909. For example, in allowing for voluntary institutional participation in whatever form and scale is most suitable for each institution, this plan avoids forcing every nonprofit institution in the Commonwealth to expend significant resources with no guarantee of either state financial support or student demand, and thereby, of an expectation or ability to recoup their investments, regardless of the tuition rate – but especially at a rate of only \$4,000 per year.

Similarly, a scale-up approach in which assessments and adjustments are possible at each stage will avoid the Commonwealth becoming locked in – financially and in terms to commitments to students – to a specific, long-term end should different strategies emerge or new technologies become available in the meantime.

Moreover, Dr. Trent, Mr. Blake and counsel in the Office of the Attorney General do not believe that the Commonwealth can compel private nonprofit institutions to participate in this program; and the state certainly possesses no constitutional or statutory authority to dictate these institutions' tuitions.

Also, this plan would reduce potential issues with accreditation standards, such as the requirement that at least 25 percent of a student's degree credits be earned via coursework at the institution awarding the degree and from faculty holding a terminal degree in their field. It would also better ensure that students' eligibility for federal and state need-based financial aid is not encumbered or reduced, and that the focus will be on in-state students rather than "any undergraduate student enrolled" as worded in the statute, which would imply that out-of-state and international students would be eligible for the legislation's suggested \$4,000/year tuition rate.

And here – on the issue of student cost – is where this plan perhaps diverges most from the statute's intention of a significantly-lower tuition rate. Delivery of online instruction is expensive to undertake and to continue. Most institutions that initiate online programs do so to expand enrollments and/or to generate additional revenues. As a result, most providers charge tuition rates for their online offerings that are equal to or above the rates for their on-campus offerings.

Given the operational costs involved, the OVN proposal's model seeks alternatives beyond tuition for reducing overall student costs, such as low- or no-cost textbooks and course materials, fewer and lower student fees, and reduced time-to-degree through credit for prior learning, life experience and competency demonstration.

Dr. Trent and Mr. Blake have concerns about the statute's expectation regarding tuition at public institutions of higher education. On the practical side, they are concerned that a cut-rate tuition will imply that the online education being provided is low quality, or that the on-campus education being provided at a higher cost is vastly overpriced, or worse yet, that both implications are true. They believe that a college education – regardless of its delivery method – is a college education. An online degree program must be – in fact and in perception – just as rigorous and high quality as an on-campus program; otherwise, it should not be offered.

On the more philosophical side, Dr. Trent and Mr. Blake are concerned by the potential policy implications of – and the precedent that would be set by – *requiring* every public college and university to offer two tuition rates, which potentially could be dramatically different, for the same education. How would the institutions – and the Commonwealth – justify or even explain such discrepancies? Dr. Trent and Mr. Blake urge the legislature to consider carefully the ramifications of dual-tuition strategies, both in this matter and in Virginia higher education policy generally.

If the primary intent behind the statutory language is to reduce student costs appreciably, and the online program is but a potential strategy, then many opportunities are already in place that can be promoted to students at costs to the state well below those necessary to implement the "combined cooperative degree program" as described in statute. For example, based on 2016-17 tuition rates, a student can attend a community college, transfer to one of the six lowest-tuition public four-year institutions, and complete a baccalaureate degree for between \$27,152 and \$31,283 (an annual average cost of \$6,788 - \$7,821), excluding non-mandatory fees. These costs would be lower if a student has completed dual-enrollment courses and/or standardized tests (AP; IB) and participates in the Transfer Grant program. Moreover, this same path is already possible via online delivery from many community colleges and some four-year institutions.

If the intent is to reduce significantly the costs borne by students, and an online program is seen as the sole or best potential strategy, then Dr. Trent and Mr. Blake conclude the Commonwealth's choices are either to create a separate online institution, to partner or affiliate with an existing online institution or to simply promote to Virginians one or more existing online institutions without a formal affiliation. The first choice would be very expensive – standing up a state-supported, comprehensive online institution would take several years and could easily cost \$100 million; the second choice, while more expeditious, would still represent a significant one-time cost (\$8-10 million); and choices two and three both would put the Commonwealth in the position of advocating for, if not supporting financially, an external provider in lieu of its own institutions and options.

For these and additional reasons laid out in the following pages, Dr. Trent and Mr. Blake recommend their plan over competing strategies and options. By supporting the establishment of the Online Virginia Network – scaling it up (from a focus on adults, veterans, military personnel and others with some college credits but no degrees) in response to § 23.1-909 to provide broad availability of in-demand degree programs for all enrolled Virginians, and pursuing state policies and funding that ensure the OVN offers high quality in its degree programs, student services and learning and employment/wage outcomes, they believe the Commonwealth will find the best means to achieving the laudable ends sought via § 23.1-909.

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## Introduction

Secretary of Education Dietra Trent and SCHEV Director Peter Blake submit this document as their report of progress toward fulfillment of § 23.1-909, which requires them, in consultation with the public and private two- and four-year institutions, to develop:

a plan to establish and advertise a cooperative degree program whereby any undergraduate student enrolled at any two-year or four-year public or private, non-profit institution of higher education in the Commonwealth may complete, through the use of online courses at any such institution, the course credit requirements to receive a degree at a tuition cost not to exceed \$4,000, or such cost that is achievable, per academic year.

The statute requires a report of plan-development progress by October 1, 2016. (The full text of the statutory language appears in Appendix A.)

§ 23.1-909 represents the enactment of legislation (House Bill 2320) introduced by Delegate Ben Cline in the 2015 session of the Virginia General Assembly, which was passed unanimously as amended by the House and the Senate and signed by Governor Terry McAuliffe. The statute posits the concept of a collaborative, low-cost, online degree program – a concept that demonstrates the commitment of the legislative and executive branches to student access and affordability, as well as innovative strategies. Dr. Trent and Mr. Blake commend this commitment and appreciate the opportunity to consider these and related issues on behalf of the Commonwealth and its students and families.

Beyond fulfilling a statutory requirement, this document is also intended to provide reference data of relevance to the work of the Joint Subcommittee on the Future Competitiveness of Virginia Higher Education, particularly in the legislative panel's evaluation of the use of distance education and online instruction.

Dr. Trent and Mr. Blake thank their staffs for their assistance in this effort and the staffs of the public and private non-profit institutions of higher education for their cooperation and counsel. The result of this work is detailed below and organized thusly: an overview of online education nationally and in Virginia; a review of related activities (and lessons learned) in other states and expert analyses by practitioners and think tanks; a proposal of a plan for the “combined cooperative degree program” envisioned in the statute; and justifications for the course of action proposed here.

## Online Instruction: Courses and Degree Programs

### National Overview

Increasingly, colleges and universities deliver instruction in part or in whole via technology, ranging from incorporation of electronic content into traditional classroom-based courses to entirely online institutions of higher education. This analysis focuses on online courses and degree programs that allow undergraduate students to complete all degree-credit requirements without in-person attendance at physical campuses. By virtue of the delivery method, students taking online courses and programs can be located anywhere in the state or elsewhere. Old Dominion University, for instance, offers programs to military personnel overseas or on ships.

Institutions offer online courses and degree programs either within the traditional academic structures and processes of American higher education or within new, still-developing alternative models. In the traditional model, a degree program is comprised of a comprehensive slate of courses that carry



specified numbers of academic credits and are offered at predetermined times for predetermined lengths. In alternative models, course and program start, finish and duration are determined by the student and may or may not be predicated on the completion of credit hours (which are time- and content-based).

In American higher education, online delivery of courses and programs has been shaped by supply and demand. Traditionally, student demand for online offerings has been strongest for applied, technical or vocational subject areas. And in the early years of electronic delivery, demand was most common from mature learners who often possessed previous college experience but lacked the time or opportunity to “go back to school” at bricks-and-mortar campuses.

In terms of the supply of online courses and programs, institutions have found that some subjects are easier to deliver electronically than others, with courses and programs that require lab work, craftsmanship or individual performance being difficult or problematic in the online environment.

### Virginia Overview

As is the case in most states, the majority of online courses and degree programs offered by Virginia’s public and private non-profit two- and four-year institutions are in applied, technical, or vocational subject areas above the undergraduate level and/or in work-related certificate programs.

The Commonwealth’s public and private colleges and universities are more likely to offer individual courses and non-degree certificate programs online than full degree programs. And of the courses and programs available online, the majority is concentrated in the fields of Business, Education and Engineering, most often at the Master’s degree level. While certificate and graduate-degree programs are most common, the majority of Virginia’s online enrollments are in undergraduate-degree (Associate and Bachelor) programs.

Comparatively, Virginia’s public four-year institutions are not major providers of online instruction. Of the 16 state members of the Southern Regional Education Board (SREB), the Commonwealth ranked 15<sup>th</sup> in 2014 for the percentage of undergraduate instruction provided via the web by public four-year institutions; our percentage was 6.2 percent (up from 3.2% in 2012), while the regional average was 11.3 percent. For public two-year institutions, Virginia ranked 3<sup>rd</sup> among SREB states in 2014 for web-based instruction; our percentage was 28.1 percent, while the regional average was 23.7 percent.<sup>1</sup>

A majority (17) of Virginia’s public two-year colleges offer at least one online program leading to the Associate degree, while only six of the 15 public four-year institutions offer any baccalaureate programs online (an additional five offer one or more certificate or graduate programs online). Virginia’s most common online two-year degrees are in Business Administration, Management and Operations and in Liberal Arts and Sciences/Liberal Studies. The most common online four-year degrees are in Health Sciences/Services, Nursing (RN to BNS), Engineering (multiple fields), Information Technology and Individualized or Interdisciplinary Studies.

Within the Virginia Community College System (VCCS), online degree programs are most likely at the larger colleges, from which the largest number and variety of online Associates programs are also available. While the majority of community colleges that offer online degrees do so on a limited basis (one to three programs), Northern Virginia (NVCC), Tidewater (TCC) and Thomas Nelson (TNCC) each

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<sup>1</sup> SREB Data Exchange spreadsheet (2014-15): <http://www.sreb.org/general-information/instructional-activity-type-instruction>.

offer 10 or more online degree programs. NVCC also makes the online offerings in its Extended Learning Institute (ELI) available to other colleges for their use.

Among the public four-year institutions, Old Dominion University (ODU) offers the most (29), and the most varied, online Bachelor-degree programs. George Mason University (GMU) offers five; James Madison University (JMU), two; Norfolk State University (NSU), two; University of Virginia (UVa), seven; and Virginia Commonwealth University (VCU), two. The most common baccalaureate-program types at public institutions are Nursing, Health Sciences and multiple fields of Engineering; see Appendix B for a full program listing.

For their online undergraduate-degree programs, Virginia's public institutions generally employ the same admission standards and charge the same tuition rates as for traditional programs. Within the VCCS, tuition for in-state students ranges from \$146.25 to \$163.15 per credit hour, depending on the college (NVCC is at the higher rate) and for out-of-state e-learning students, \$248.50 to \$276.30 per credit hour.<sup>2</sup> For the major public online provider, ODU, tuition for undergraduate programs is \$325.00 per credit hour for in-state students and \$355.00 per credit hour for out-of-state students,<sup>3</sup> which equate to \$9,750 and \$10,650 respectively per academic year. ODU receives over 16,000 course registrations per semester in its online courses.

Among the private non-profit four-year institutions, Liberty University is not only the major provider of online undergraduate offerings but is the largest private non-profit online institution in the nation. Liberty offers 19 baccalaureate programs with 42 concentrations, spanning an impressive diversity of applied and liberal-arts fields in addition to biblical and religious studies.<sup>4</sup> Four of the university's online Bachelor's programs are in Education-related specialties, targeted at students in states that, unlike Virginia, allow prospective teachers to major in Education at the undergraduate level. Liberty's tuition for online undergraduate programs is \$390.00 per credit hour for full-time students (about \$11,700 per academic year) and \$455.00 per credit hour for part-time students.<sup>5</sup>

Virginia's private, for-profit (privately-capitalized) sector is also involved in online education, with ECPI University and Strayer University being the most prominent providers. ECPI University offers 12 baccalaureate degree programs online;<sup>6</sup> Strayer University, five.<sup>7</sup> Bryant and Stratton College, which is headquartered in New York but operates two campuses in the Commonwealth, offers three online Bachelor's programs.<sup>8</sup> The most common programs from these providers are Accounting, Business Administration and Health Science/Healthcare Administration.

Seven Virginia institutions – two community colleges (NVCC and SwVCC), four four-year publics (ODU, VCU, Virginia Tech and William and Mary) and one private non-profit (Regent University) participate in the SREB Electronic Campus, which allows students in the region to search a single website for online courses and programs in their disciplines of interest, along with admission criteria and financial-aid information. Seventy-two programs – mostly Master's degree and certificate programs – are available on the SREB Electronic Campus from Virginia institutions.<sup>9</sup>

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<sup>2</sup> See: <http://www.vccs.edu/students/tuition-and-fees/>; viewed on September 26, 2016.

<sup>3</sup> See: <https://online.odu.edu/cost/>; viewed on September 26, 2016.

<sup>4</sup> See: <http://www.liberty.edu/online/degrees/bachelors/>; viewed on September 26, 2016.

<sup>5</sup> See: <https://www.liberty.edu/online/tuition-financing/>; viewed on September 26, 2016.

<sup>6</sup> See: <https://www.ecpi.edu/online/>; viewed on September 26, 2016.

<sup>7</sup> See: <http://www.strayer.edu/strayer-experience/online-learning/>; viewed on September 26, 2016.

<sup>8</sup> See: <https://www.bryantstratton.edu/online-learning/degrees/>; viewed on September 26, 2016.

<sup>9</sup> See: <http://www.electroniccampus.org/courses-programs/>; viewed on September 26, 2016.

## Western Governors University

Beyond Virginia, an institution cited frequently as an innovative, potential model is Western Governors University. WGU is an online, competency-based, accredited, non-profit institution founded in 1995 by the governors of 19 western states. Because its offerings are online and competency-based, its students are able to complete their studies and degrees independent of time and place. As of August 31, 2016, WGU's total enrollment of undergraduate and graduate students was 72,089, and its total enrollment of Virginia students was 1,817 (or 2.5 percent of the total).<sup>10</sup>

Students enrolled at WGU are charged tuition at a flat rate per six-month term. During a term, students may attempt as many "courses" as they desire and can complete satisfactorily within the six-month period. In a competency-based model, a "course" can be as simple as a test. In fact, WGU does not offer traditional courses in many areas; rather, it provides tutors who help students prepare for and pass tests, which count as course completions.

Unique in various ways, WGU and its offerings are also similar in some ways to the online offerings of traditional institutions. For example, its undergraduate-degree programs are limited in number and variety; it offers Education (eight programs), Business (six programs), Information Technology (six programs) and Health Professions (three programs).<sup>11</sup> Absent from its baccalaureate degree programs are the Humanities, Arts, Social Sciences, Natural/Physical Sciences and Engineering.

Also, its students are similar to those of most online providers; the average age of a WGU student is 37, and most of its undergraduates possess some prior college experience when they enroll.<sup>12</sup>

Tuition for WGU's Education, Business and Information Technology baccalaureate programs is \$2,890 per six-month term; its undergraduate Health Professions programs are \$3,250 and \$4,250 per term, depending on the program. These rates have not changed in the past nine years. The university also charges a mandatory "Resource Fee" of \$145 per term for use of the online library, e-textbooks and other online materials. Students in certain Education and Health Professions programs may be assessed one or more of four additional one-time "Special Fees" of \$350 and/or \$1,000.<sup>13</sup>

If a WGU undergraduate student maintains an adequate pace and quantity of course completion (competency demonstration) and completes her/his degree requirements in eight or fewer terms (four or fewer calendar years), her/his total cost is comparatively low. If she or he exceeds eight terms (four calendar years), their total cost is similar to or more than many traditional four-academic-year institutions. The average WGU undergraduate who completes a degree program does so in about five six-month terms (2.5 calendar years)<sup>14</sup> at an average cost (tuition and mandatory Resource Fees) of about \$15,175 (exclusive of time and money spent at any prior institutions).

However, a majority of WGU undergraduates do not complete degrees in a timely manner. For undergraduates who enrolled in Fall 2009, the university reports a six-year (150%-of-normal-time) completion rate of 14 percent. In real numbers, 243 students enrolled as first-time, full-time

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<sup>10</sup> See: [http://www.wgu.edu/about\\_WGU/students\\_alumni](http://www.wgu.edu/about_WGU/students_alumni); viewed on September 26, 2016. Since awarding its first degree in 1998, WGU has graduated 68,557 students from its undergraduate and graduate programs, 1,988 (2.9%) of whom were Virginians.

<sup>11</sup> See: [http://www.wgu.edu/tuition\\_financial\\_aid/tuition](http://www.wgu.edu/tuition_financial_aid/tuition); viewed on September 26, 2016.

<sup>12</sup> See: [http://www.wgu.edu/about\\_WGU/students\\_alumni](http://www.wgu.edu/about_WGU/students_alumni); viewed on September 26, 2016.

<sup>13</sup> See: [http://www.wgu.edu/tuition\\_financial\\_aid/tuition](http://www.wgu.edu/tuition_financial_aid/tuition); viewed on September 26, 2016.

<sup>14</sup> See: <http://www.wgu.edu/wgufiles/cc-newsroom-partnership-guide>, page 2; viewed on September 26, 2016.

undergraduates at WGU between August 1, 2009 and October 31, 2009; and of these 243 students, 34 had completed their baccalaureate program by Spring 2016.<sup>15</sup> The university website posits an “overall graduation rate”, presumably including graduate and certificate programs, of “about 40%” and a graduation rate of 37 percent for undergraduate students aged 25 and above.<sup>16</sup> For first-time, full-time undergraduates continuing their enrollment from Fall 2014 to Fall 2015 (the U.S. Department of Education’s reporting-time structure), WGU reports an overall retention rate of 74 percent.<sup>17</sup>

While WGU is open to students from all states, territories and U.S. military bases internationally, it has also partnered with six states – Indiana, Missouri, Nevada, Tennessee, Texas and Washington – to create state-affiliated entities (e.g., WGU Indiana). Such affiliations allow these states to leverage WGU’s capacities and capabilities and to endorse it to potential in-state online learners as a “legitimate” (state-approved) provider; the curricula are the same as WGU proper and carry its accreditation from the Northwest Commission on Colleges and Universities. Public funds were appropriated for the creation of some of the state affiliates; nonetheless, all six are self-supporting through tuition and donations. Some states allow residents to use state financial aid at their WGU affiliate and/or to receive a 5% discount on tuition at the affiliate for transfer following completion of an in-state associate degree. The six WGU affiliates are governed by the WGU Board of Trustees along with a state chancellor and advisory board.<sup>18</sup>

## Online Education: Realities and Possibilities

### Opportunities and Challenges

In addition to affiliations as described above, states are pursuing various other strategies to address college access and affordability through innovative, online efforts. National data indicate that enrollments in online courses are increasing by more than 3.7 percent annually,<sup>19</sup> particularly at public and private non-profit institutions, even as overall enrollment is relatively flat and online enrollment at for-profit institutions is declining (down 2.8% between 2013 and 2014).<sup>20</sup>

And national surveys find that, even though online learning allows students to take courses from providers located anywhere, the majority of online students enroll in institutions located near them – 50 percent live within 50 miles of their institution, and 65 percent live within 100 miles.<sup>21</sup> State policymakers are realizing these trends and attempting to respond.

However, multiple challenges confront those seeking to implement large-scale online delivery models. According to analysis in 2013 by the New America Foundation (now, New America), three of the most prominent barriers are: (i) funding and costs; (ii) faculty buy-in and quality; and (iii) meeting the needs of “new generation” students.<sup>22</sup>

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<sup>15</sup> See: [http://www.wgu.edu/wgu/retention\\_graduation\\_rates](http://www.wgu.edu/wgu/retention_graduation_rates); viewed on September 26, 2016.

<sup>16</sup> See: [http://www.wgu.edu/tuition\\_financial\\_aid/brief\\_guide](http://www.wgu.edu/tuition_financial_aid/brief_guide); viewed on September 26, 2016.

<sup>17</sup> See: [http://www.wgu.edu/wgu/retention\\_graduation\\_rates](http://www.wgu.edu/wgu/retention_graduation_rates); viewed on September 26, 2016.

<sup>18</sup> See: [https://en.wikipedia.org/wiki/Western\\_Governors\\_University](https://en.wikipedia.org/wiki/Western_Governors_University); viewed on September 26, 2016.

<sup>19</sup> Babson Survey Research Group. 2015. *Online Report Card: Tracking Online Education in the United States*. Oakland, CA.

<sup>20</sup> Ibid, p. 4.

<sup>21</sup> Clinefelter, D.L. and Aslanian, C. B. 2015. *Online College Students 2015: Comprehensive Data on Demands and Preferences*. Louisville, KY: The Learning House, Inc.

<sup>22</sup> Fishman, R. Fall 2013. “Technology and the Next Generation University”. Washington, DC: New America Foundation.

According to New America analyst Rachel Fishman:<sup>23</sup>

One of the biggest barriers to wide adoption of online technologies is funding. ... If institutions did not already have the infrastructure in place to fully support online courses and support services, it can be difficult to find new funds necessary to do so.

Some states have funded online programs that allow students to take courses from multiple public institutions. Such programs need permanent ongoing funding to support development and maintenance of courses.<sup>24</sup> If states can't or won't invest directly in technology-based innovation, they should give institutions the flexibility to reallocate their own resources without state intervention. Other common sources for funding include external foundation support, partnering with third-party vendors, federal government grants, and 'seed' money from institutional budgeting for special projects.<sup>25</sup>

Given the uncertainties of funding, cost management is critical for institutions in the online space. The National Center for Academic Transformation offers assistance in course redesign that employs online technologies to reduce the costs of developing and implementing online courses and programs. Course development and management costs can also be controlled via sharing mechanisms such as consortia, where members can sell, lease, share or swap existing online courses.<sup>26</sup>

Institutions can also use free resources such as open source software (OSS), open education resources (OER), and massive open online courses (MOOCs) to manage costs. The State University System of Florida created a searchable repository of vetted-for-quality OER so that faculty and course developers did not have to worry about academic quality or waste time attempting to assess it within the myriad OER options.<sup>27</sup>

To address issues of funding and costs, institutions can also partner with private-sector businesses, as Arizona State University did to raise the capital necessary to scale up the ASU Online initiative<sup>28</sup> and as the University of Texas-Arlington did with the Academic Partnerships company, which helped the institution to expand access through marketing and recruitment and to improve student completion.<sup>29</sup>

Beyond simple participation, buy-in and commitment by faculty are critical to sustained, successful online efforts. Many faculty who are not involved in online education are hesitant, reluctant or completely unwilling to participate because they believe that the learning outcomes are not as good as in traditional courses and/or that their time and effort will not be compensated adequately. Institutions can address these issues by offering, or even mandating, training in online-course development and teaching; by creating additional incentives, such as giving weight to online teaching in decisions for promotion and tenure; and by building into online courses proven metrics to assess quality and learning outcomes, such as those developed by the Quality Matters consortium in the early 2000s.<sup>30</sup>

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<sup>23</sup> Ibid, p 2.

<sup>24</sup> Meyer, K. A. 2008. "If Higher Education is a Right, And Distance Education is the Answer, Then Who Will Pay?" *Journal of Asynchronous Learning Networks* 12. Pps. 45-68.

<sup>25</sup> McCarthy, S. A. and Samors, R. J. 2009. *Online Learning as a Strategic Asset: Volume 1, A Resource for Campus Leaders*. Washington, DC: Association of Public and Land-Grant Universities.

<sup>26</sup> Fishman, p. 2.

<sup>27</sup> Fishman, R. 2013. *State U Online*. Washington, DC: Education Sector and New America Foundation. Page 17.

<sup>28</sup> Arizona State University. August 2012. *Arizona State University: Strategic Enterprise*.

<sup>29</sup> "Technology and Next Generation University", p. 3.

<sup>30</sup> Ibid, pps. 3-4.

Another set of challenges for online education centers on online learners and their varied and unique needs. While more and more traditional-aged students are engaging in online education, the typical online student is over age 24, often with a job and family. To meet the needs of these students – and to ensure the stability and success of online initiatives – a recent joint commission of Sloan-C and the Association of Public and Land-grant Universities stressed the importance of student support services.<sup>31</sup>

Practitioners report that the most useful services for online students are individual academic advisers, virtual office hours and 24/7 technology help desks.<sup>32</sup> Among the leaders in offering such services are Arizona State University, which deploys an adaptive, personalized learning platform and an electronic advising and degree tracking system, and Georgia State University, which provides each online student with a personalized dashboard with dozens of live feeds of personal information.<sup>33</sup>

### Lessons Learned on Getting Started

A 2013 report from New America and Education Sector analyzed the history of distance learning in the United States and the advancement to progressively higher levels and more sophisticated structures of distance education – culminating in online education – within states. It concludes that states should “combine and streamline existing [online] efforts in order to achieve a fully articulated system where students can move ... among institutions ... . This way, states can ensure that their online systems are on a strong footing that will help them climb the steps toward effective, sustainable online efforts”.<sup>34</sup>

The analysis yielded five steps that states can take to build a large-scale online-education enterprise. These steps are sequential, with each building on the previous to create an increasingly integrated system. The first step is development of a clearinghouse database of online courses and programs available within the state, a “one-stop shop” portal through which prospective and continuing students can search all institutions’ offerings. The University of Wisconsin System’s eCampus and the Montana University System Online are examples.<sup>35</sup>

The second step is the joining together of institutions to purchase shared contracts for resources such as learning management systems (LMSs) and/or faculty development resources, such as Quality Matters. Not only can cost-sharing agreements bring down expenses for institutions and states, but uniformity of LMSs can benefit students as they move between institutions in pursuit of desired online courses. The shared contracts between institutions in the Minnesota State University System’s Minnesota Online program are examples.<sup>36</sup>

The third step is the integration and targeted provision of shared, online student-support services across institutions within a state, such that regardless of a student’s home institution, she or he can access and receive services like advising and e-tutoring from a central location. Examples of integrated services include those of the Florida Virtual Campus and the University of North Carolina Online.<sup>37</sup>

The fourth step is the facilitation of course- and credit-transfer and shared credentialing across institutions. When achieved, this step ensures that credits earned in online courses from any institution

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<sup>31</sup> Ibid, pps. 4-5.

<sup>32</sup> Meyer, K. 2006. *The Road Map to Cost-efficiencies of Online Learning*. Hoboken, NJ: Wiley InterScience.

<sup>33</sup> “Technology and Next Generation University”, p. 5.

<sup>34</sup> *State U Online*, p. 9.

<sup>35</sup> Ibid, pps. 9-12.

<sup>36</sup> Ibid, pps. 9 and 12-15.

<sup>37</sup> Ibid, pps. 9 and 15-17.



in the state transfer readily and automatically to a student's home institution with no loss of credit and, ideally, appear on the student's transcript as though all the credits were amassed at one institution. Examples include Georgia's ONmyLINE, Kentucky's Learn on Demand and Tennessee's Regents Online Campus Collaborative.<sup>38</sup>

The fifth step is the advancement of step four beyond state borders, such that credits transfer between institutions in multiple states, with students paying their home institutions' or state's in-state tuition rates regardless of the state of origin of their courses, again having their credits show on their transcripts as earned from the home institution. Arguably, no states have achieved step five; however, the Great Plains Interactive Distance Education Alliance (IDEA) is close to being a fully articulated multi-state effort. This consortium of 20 institutions across 14 states consolidates courses of multiple institutions into single degree programs and offers a single tuition to participating students.<sup>39</sup> The WICHE Interstate Passport initiative in which Virginia is involved is a movement in this direction as well.

### Virginia's Head Start: The Online Virginia Network (OVN)

The fourth step described above has much in common with the "combined cooperative (online) degree program" envisioned in § 23.1-909 – students' ability to take courses online from multiple institutions that will allow them to complete a degree program at their home institution in a straightforward, timely, cost effective manner.

If the report is correct, then the Commonwealth would be well advised to pursue and complete the first three steps prior to initiating the major online effort described in the statute. While daunting, the task is doable; moreover, a structure and business plan have already been proposed to address many aspects of the first three steps above.

The Online Virginia Network (OVN), as outlined in the Fall 2016 document, *Online Virginia Network: State Report and Proposal* (LIS No. 275), from George Mason University and Old Dominion University, proposes a plan that corresponds closely with the preliminary steps above. Specifically, the network is intended to encompass and provide "flexible online course offerings, a web portal, outreach services and financial aid support, seamless articulation, 24/7 response, and a comprehensive communication strategy" initially for adult students who possess some academic credits but no degree and ultimately for all enrolled students. It will seek to reduce students' overall costs via open/free educational resources, fewer or lower fees and reduced time to degree through efficient transfer, competency demonstration and credit for prior/experiential learning.

A prototype of a web portal (as in step one) is already complete. Shared-service contracts (as in step two) are being pursued by multiple institutions independent of the OVN project, but will no doubt be beneficial to it and its participating partners. Coordinated student services (as in step three) are planned for in the OVN business plan, with advising/coaching/success supports to be implemented as soon as funding is available and academic support mechanisms slated for implementation in the second year of the project.

Additional components of the OVN plan include: enhanced outreach and communications; identification of potential students in collaboration with SCHEV; a seamless enrollment infrastructure; a survey-based assessment of student and employer demand; support for prior learning assessment; and flexible course scheduling, with multiple start dates, year-round offerings and 24/7 support.

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<sup>38</sup> Ibid, pps. 9 and 17-19. See also: Zatyński, M. 2013. *Calling for Success: Online Retention Rates Get Boost from Personal Outreach*. Washington, DC: Education Sector.

<sup>39</sup> Ibid, pps. 9 and 19-21.

The OVN proposal includes a five-year Pro Forma and projects an enrollment of 10,000 students by year five. Beyond the planning funds already appropriated, the OVN budget assumes continuing annual General Fund support of \$7.4 million (\$3.7M each for GMU and ODU) beginning in FY2018. The program will provide high-demand degree programs (specific programs will be determined by needs analyses, but may include nursing/RN to BSN, cybersecurity, software development, systems analysis and supply-chain management), with a goal of adding 10 additional degree programs each year as well as 10 new course builds and 30 course refreshes.

## Recommendation for a Plan

Based on the requisite steps for building a state-level online enterprise and the related efforts already underway and proposed in Virginia, the Education Secretary and the SCHEV Director recommend that, to achieve the goals of § 23.1-909, the Commonwealth support the in-development Online Virginia Network (OVN), with the expectation that the effort will be scaled up over time in direct response to the statute to encompass many of its key features for a lower-cost online-delivery platform. Dr. Trent and Mr. Blake believe this strategy is the most prudent and most likely means to accomplish the legislation's dual ends: (i) a coordinated, statewide, online degree-completion system; and (ii) a reduced cost to students and families.

Specifically, a three-part plan is proposed hereby:

- 1) The Online Virginia Network (formerly, and in *Chapter 780*, known as the Virginia Degree Completion Network) is designated formally during the 2017 legislative session as the vehicle through which the online program sought in § 23.1-909 is to be implemented.
- 2) SCHEV, GMU, ODU and all subsequent partners in the OVN are directed to develop the network so as to facilitate its growth and expansion over the next five years into the "combined cooperative degree program" envisioned in the statute. OVN partners will work together to:
  - a. create a clearinghouse of currently-offered online courses and degree programs that prospective and continuing students can easily search;
  - b. pursue shared-service contracts for learning management systems and faculty development resources that are proven effective in online education; and
  - c. standardize, and perhaps centralize, support services (e.g., academic advising; financial-aid advising; e-tutoring) targeted at online learners.
- 3) Simultaneous with institutions' development of the OVN, the executive and legislative branches and SCHEV will work together over the next five years to:
  - a. create a sustainable, efficient cost structure for the network that supports online delivery of degree programs that are in demand by in-state students and employers;
  - b. provide incentives and support for faculty to develop online courses, to deliver courses electronically and to undertake professional development and training to meet the different, various and unique needs of online students;



- c. collect robust data on online students to better understand their enrollment decisions, patterns and outcomes and to inform assessment and improvement of the network's outcomes;
- d. continue to implement and refine Virginia's already-robust articulation agreements to ensure that credits earned by students follow them between and among institutions and count toward their timely completion;
- e. ensure that students' needs are met before, during and after enrollment through tailored, online-specific support systems and learning management systems; and
- f. encourage expanded availability of and participation in dual enrollment, prior-learning assessments (e.g., Advanced Placement and International Baccalaureate) and the Two-year College Transfer Grant (CTG) program, as well as institutional adoption of innovative course and credit delivery (e.g., competency-based modules; massive open online courses/MOOCs offered for free or little cost; and/or experiments with awarding credits and/or financial aid differently).<sup>40</sup>

Taken together, these steps will allow all stakeholders to work simultaneously and collaboratively to bring the program envisioned in § 23.1-909 to fruition, while addressing the issues of costs, faculty buy-in and student needs discussed above. Institutional leaders support this scale-up approach targeted at in-state students and high-demand degree programs that will allow them to participate voluntarily and in the form and to the extent feasible in accordance with their missions, capabilities and resources. Letters of endorsement from the presidents of the OVN founding universities appear as Appendix C.

## Justifications for the Plan

The first sentence of the OVN business plan begins with the statement, "The network is open to all Virginia students," which captures fully and clearly the intentions of the statute. Dr. Trent and Mr. Blake believe they would be remiss to recommend a separate plan that would be neither necessary nor cost beneficial for the Commonwealth.

### Most Cost-Beneficial Approach

The OVN founding partners – Old Dominion University and George Mason University – are leaders in online education today and are anticipating and strategizing how to be leaders in the future. Among Virginia's public four-year institutions, ODU is the major provider of online courses and degree programs. As such, the university has deep investments in relevant personnel and infrastructure that the Commonwealth need not duplicate in pursuit of a cooperative online degree program. GMU has a strong presence in the online space, offering five degree programs in high-demand, high-wage STEM fields. Equally important, its administration is committed to enhanced participation in online education, to "next generation" seamless transfer of academic credits and to targeted student services.

Moreover, Gov. McAuliffe and the 2016 Virginia General Assembly have already allocated substantial sums – \$1 million in FY2017 and \$2 million in FY2018 – for SCHEV to work with GMU and ODU on a project that *Chapter 780*, Item 146 O.2., describes as "a plan for the Network to serve ... students seeking access to an on-line degree program that is more cost-effective than a traditional degree."

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<sup>40</sup> The seven components of the plan's third step represent variations of the recommendations offered in the *State U Online* report for pursuit and achievement of the report's five steps. See: *State U Online*, pps. 22-25.

Again, Dr. Trent and Mr. Blake believe that the Commonwealth's best interests are served by seeking to fulfill § 23.1-909 via the proposed Online Virginia Network rather than by duplicating that very similar effort and expending additional, redundant resources to do so.

### **More Realistic Approach**

Consideration of all the information detailed in the preceding pages convinces Dr. Trent and Mr. Blake that a scale-up approach is more likely to be successful than an attempt to implement online statewide delivery of every degree program all at once. Currently, the majority of the Commonwealth's nonprofit colleges and universities do not offer any degree programs online. To increase significantly the availability of online courses and degree programs will require tremendous resources, infrastructure, expertise and time. Responses to the statutory language from members of the Networked Learning Collaborative of Virginia (NLCVA) are included in Appendix D.

A scale-up approach will also provide the Commonwealth and its higher-education institutions with opportunities to assess results and costs at each stage of the network's development and to adjust the OVN's scope, time line, approaches, etc., as well as their commitments to it, based on these results. In this way, Virginia will not be obligating itself to expenditures of resources beyond those necessary to achieve the next agreed-upon step. Similarly, the Commonwealth will not be as locked in – financially and in terms to promises to students – to a specific, long-term end should additional strategies emerge or new technologies become available in the meantime.

### **Less Problematic Approach**

Dr. Trent and Mr. Blake acknowledge that the tenets of their plan do not guarantee all the specifics prescribed in the statute for the "combined cooperative degree program;" nevertheless, they are convinced that their proposal will allow the Commonwealth to address readily or avoid completely the legal, regulatory, administrative and financial challenges and impediments entailed by a strict, literal interpretation of § 23.1-909.

For example, in allowing for voluntary institutional participation in whatever form and scale is most suitable for each institution, this plan avoids forcing every nonprofit institution in the Commonwealth to expend significant resources with no guarantee of either state financial support or student demand, and thereby, of an expectation or ability to recoup their investments, regardless of the tuition rate – but especially at a rate of only \$4,000 per year.<sup>41</sup>

Moreover, Dr. Trent, Mr. Blake and counsel in the Office of the Attorney General do not believe that the Commonwealth can compel private nonprofit institutions to participate in this; and the state certainly possesses no constitutional or statutory authority to dictate these institutions' tuitions.

Also, this plan would reduce potential issues with accreditation standards, such as the requirement that at least 25 percent of a student's degree credits be earned via coursework at the institution awarding the degree and from faculty holding a terminal degree in their field. It would also better ensure that students' eligibility for federal and state need-based financial aid is not encumbered nor reduced, and that the focus will be on in-state students rather than "any undergraduate student enrolled" as worded in the statute, which would imply that out-of-state and international students would be eligible for the legislation's suggested \$4,000/year tuition rate.

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<sup>41</sup> In 2006 the University of Illinois system created an online campus that was expected to be a revenue generator, attracting 9,000 students by 2012 and 70,000 by 2018. After borrowing \$7M for implementation, the UI Global Campus closed after only three years; it had attracted only about 500 students.

And here – on the issue of student cost – is where this plan perhaps diverges most from the statute’s intention of a significantly-lower tuition rate. Delivery of online instruction is expensive to undertake and to continue. Most institutions that initiate online programs do so to expand enrollments and/or to generate additional revenues. As a result, most providers charge tuition rates for their online offerings that are equal to or above the rates for their on-campus offerings.

Given the operational costs involved, the OVN proposal’s model seeks alternatives beyond tuition for reducing overall student costs, such as low- or no-cost textbooks and course materials, fewer and lower student fees, and reduced time-to-degree through credit for prior learning, life experience and competency demonstration.

### **Avoids Practical and Philosophical Tuition Issues**

Dr. Trent and Mr. Blake have concerns about the statute’s expectation regarding tuition at public institutions of higher education. On the practical side, they are concerned that a cut-rate tuition will imply that the online education being provided is low quality, or that the on-campus education being provided at a higher cost is vastly overpriced, or worse yet, that both implications are true. They believe that a college education – regardless of its delivery method – is a college education. An online degree program must be – in fact and in perception – just as rigorous and high quality as an on-campus program; otherwise, it should not be offered.

On the more philosophical side, Dr. Trent and Mr. Blake are concerned by the potential policy implications of – and the precedent that would be set by – *requiring* every public college and university to offer two tuition rates, which potentially could be dramatically different, for the same education. How would the institutions – and the Commonwealth – justify or even explain such discrepancies? If postsecondary education is reduced to a commodity, and colleges and universities become retailers who “sell” the same item for a lower price on their “websites” than in their “stores”, then what will be the impacts on the public’s trust and education’s value? Dr. Trent and Mr. Blake urge the legislature to consider carefully and fully the ramifications of dual-tuition strategies, both in this matter and in Virginia higher education policy generally.

### **Additional Considerations**

If the primary intent behind the statutory language is to reduce student costs appreciably, and the online program is but a potential strategy, then many opportunities are already in place that can be promoted to students at costs to the state well below those necessary to implement the “combined cooperative degree program” as described in statute.

For example, based on 2016-17 tuition rates, a student can attend a community college, transfer to one of the six lowest-tuition public four-year institutions, and complete a baccalaureate degree for between \$27,152 and \$31,283 (an annual average cost of \$6,788 - \$7,821), excluding non-mandatory fees. These costs would be lower if a student has completed dual-enrollment courses and/or standardized tests (AP; IB) and participates in the Transfer Grant program. Moreover, this same path is already possible via online delivery from many community colleges and some four-year institutions.

If the intent of § 23.1-909 is to reduce significantly the costs borne by students, and an online program is seen as the sole or best potential strategy, then Dr. Trent and Mr. Blake conclude the Commonwealth’s choices are either to create a separate online institution, to partner or affiliate with an existing online institution or to simply promote to Virginians one or more existing online institutions without a formal affiliation. The first choice would be very expensive – standing up a state-supported, comprehensive

online institution would take several years and could easily cost \$100 million;<sup>42</sup> the second choice, while more expeditious, would still represent a significant one-time cost (\$8-10 million);<sup>43</sup> and choices two and three both would put the Commonwealth in the position of advocating for, if not supporting financially, an external provider in lieu of its own institutions and options.

For these reasons, Dr. Trent and Mr. Blake recommend their plan over competing strategies and options. By supporting the establishment of the Online Virginia Network – scaling it up (from a focus on adults, veterans, military personnel and others with some college credits but no degrees) in response to § 23.1-909 to provide broad availability of in-demand degree programs for all enrolled Virginians, and pursuing state policies and funding that ensure the OVN offers high quality in its degree programs, student services and learning and employment/wage outcomes, they believe the Commonwealth will find the best means to achieving the laudable ends sought via the statute.

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<sup>42</sup> In 2012 a consultant hired by the Board of Governors of the State University System of Florida projected that creation of a new online university would cost the state \$70M; Florida has a much more advanced online learning infrastructure than Virginia, so the cost for the Commonwealth could conceivably approach \$100M.

<sup>43</sup> In discussions in 2014 with Western Governors University about a potential Virginia affiliate, a cost figure in the range of \$8M was floated; the introduced version of HB2320 in 2015 contemplated an \$8M investment in an WGU affiliate if the Commonwealth's public institutions could not or would not create the desired online program.

## **APPENDIX A:**

### **§ 23.1-909. Combined cooperative degree program.**

§ 23.1-909. Combined cooperative degree program.

A. The Secretary of Education and the director of the Council, in consultation with each public institution of higher education and nonprofit private institution of higher education, shall develop a plan to establish and advertise a cooperative degree program whereby any undergraduate student enrolled at any public institution of higher education or nonprofit private institution of higher education may complete, through the use of online courses at any such institution, the course credit requirements to receive a degree at a tuition cost not to exceed \$4,000, or the lowest cost that is achievable, per academic year.

B. No later than October 1, 2016, the Secretary of Education and the director of the Council shall report to the Chairmen of the House Committee on Appropriations, the House Committee on Education, the Senate Committee on Finance, and the Senate Committee on Education and Health on the progress made toward developing a cooperative degree program plan pursuant to this section.

2015, c. 664, § 23-7.4:7; 2016, c. 588.

**APPENDIX B:**  
**Online Bachelor-degree Programs Offered by Public Four-year Institutions**

	GMU	JMU	NSU	ODU	UVa	VCU
Accounting				X		
Applied Science (Cybersecurity)	X					
Applied Sci (Health, Wellness & Social Servs)	X					
Applied Sci (Technology & Innovation)	X					
Business Administration				X		
Clinical Laboratory Sciences						X
Communication				X		
Communication, Professional				X		
Computer Science				X		
Criminal Justice				X		
Dental Hygiene				X		
Engineering, Chemical					X	
Engineering, Civil				X	X	
Engineering, Electrical (Computer Engineering)				X	X	
Engineering, Electrical (Electrical Systems)				X		
Engineering, General					X	
Engineering, General (Electromechanical Sys)				X		
Engineering, Mechanical (Manufacturing Sys/ Mechanical System Design)				X		
Engineering, Systems					X	
Finance				X		
Health Services				X		
Health Services Management/Administration			X	X	X	
Individualized Study		X				
Information Systems and/or Technology	X			X		
Interdisciplinary Studies			X			
Interdisciplinary Studies (Elementary Ed)				X		
Interdisciplinary Studies (Leadership)				X		
Interdisciplinary Studies (Professional Writing)				X		
Interdisciplinary Studies (Special Ed)				X		
Interdisciplinary Studies (Special Ed, Early Childhood and Adapted Curriculum)				X		
Management				X		
Marketing				X		
Medical Technology				X		
Nursing (RN to BNS)	X	X		X		X
Occupational Studies (Industrial Technology)				X		
Occupational Studies (Training Specialist)				X		
Physics					X	
Psychology				X		

**APPENDIX C:**  
**Letters of Endorsement**  
(pages 17 and 18)



Ángel Cabrera  
President

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Phone: 703-993-8700; Fax: 703-993-8680; E-mail: president@gmu.edu

September 30, 2016

Dietra Trent  
Secretary of Education  
Commonwealth of Virginia  
Patrick Henry Building  
1111 East Broad Street – 4<sup>th</sup> Floor  
Richmond, VA 23219

Peter Blake  
Director  
State Council of Higher Education for Virginia  
James Monroe Building  
101 North 14<sup>th</sup> Street, 10<sup>th</sup> Floor  
Richmond, VA 23219

Dear Secretary Trent and Director Blake,

In recognition of the need to identify innovative, affordable and accessible educational pathways, George Mason University (Mason) fully endorses your recommendations for a “combined cooperative degree program” in support of the goals outlined in §23.1-909.

As the largest and one of the most diverse research universities in the Commonwealth, we recognize our role in preparing a highly skilled, highly qualified workforce in Virginia’s growing economy. As your report outlines, we have partnered with Old Dominion University (ODU) to develop the Online Virginia Network (OVN) which is an in-development initiative designed to offer affordable online degree options to Virginians.

We support your recommendation to incorporate the OVN initiative into the combined cooperative degree program plan. We agree that expanding the network beyond Mason and ODU will facilitate its growth and expedite the progress toward our collective goals.

Identifying the needs of Virginia’s students is a top priority for Mason, and we are acutely aware of the dynamic nature of the technological educational landscape. We remain committed to the on-going assessment of opportunities that enable our university to best serve our students, and we join you in the creation of accessible, affordable educational pathways for all Virginians.

Sincerely,

A handwritten signature in blue ink that reads "Ángel Cabrera". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ángel Cabrera





September 30, 2016

The Honorable Dietra Trent  
Secretary of Education  
Commonwealth of Virginia

Mr. Peter Blazek  
Director  
State Council of Higher Education for Virginia

Dear Secretary Trent and Mr. Blazek,

We are writing to enthusiastically endorse your proposal of a "combined cooperative degree program" in support of the goals outlined in § 23.1-909. As noted in your statute progress report, the Online Virginia Network (OVN) is an in-development initiative designed to offer affordable online degree options to Virginians.

It is our belief that instead of developing a separate plan to satisfy § 23.1-909, the OVN initiative will address the intentions of this statute by leveraging and expanding existing online degree programs at Commonwealth higher education institutions. Although Old Dominion and George Mason have worked collaboratively to develop the OVN initiative, as the OVN matures, it will expand in tandem with others who will serve to strengthen the network and its reach.

Recognizing that the landscape is ever changing, the OVN initiative will remain flexible and adapt as needed to promote online degree attainment. We stand ready to partner with you in support of § 23.1-909 and its intention to offer higher education opportunities to all Virginians.

Sincerely,

A handwritten signature in black ink, appearing to read "JRB".

John R. Broderick  
President

A handwritten signature in black ink, appearing to read "Ellen J. Neufeldt".

Ellen J. Neufeldt  
Vice President of Student Engagement & Enrollment Services

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Old Dominion University is an equal opportunity affirmative action institution.

## APPENDIX D: Responses from Members of the NLCVA

“It seems to me that Virginia very purposefully built a very decentralized higher education system; in fact, I wouldn't even call it a system. And now, it wants institutions to work together as a system? That's hundreds of years of history to undo. ... I'd be very interested in working with others towards innovative options for citizens of the Commonwealth of Virginia. But, generally, I think [in expecting to jump from high decentralization to a centralized, institutionally-collaborative online degree option] we're putting the cart before the horse.”

“Developing a low-cost cooperative online degree option (presumably among multiple existing institutions) is an extremely complex initiative that would require extraordinary planning. Issues around instructor pay, course ownership, and instructional methods and curriculum would all need to be negotiated. Instead of creating a separate entity, the state could distribute funds to institutions to subsidize tuition.”

“A low-cost cooperative online program would depend on quantity and would likely lead to large-enrollment/low-engagement courses, low-wage adjunct faculty, fewer terminal degrees and possibly accreditation issues.”

“Students will be motivated/incentivized to take the lower tuition course instead of regularly-priced courses from any of the institutions involved. This would essentially be creating competition within and among institutions.”