Cost-Benefit Analysis
Case study of the M.S. Distance Education Program in the Department of Instructional Systems Technology, Indiana University

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Abstract
The Indiana University Instructional Systems Technology Distance Master of Science program is the first degree offered by the IST Department that can be completed almost entirely via the World Wide Web. It is also one of the first degrees of its kind to be offered throughout Indiana University. The first course for this program (R521/22) began Fall of 2000 with sixteen students enrolled. The R563 team was assigned the task of assessing the costs and benefits of this program which, to date, have not been studied. In order to conduct a cost-benefit analysis, the team took the perspective of the university and identified the institution’s direct and indirect costs and revenues associated with this program, as well as potential breakeven points. Although the results of the study concluded that the distance program is currently losing money, there are many benefits of it that are not easily quantifiable. The team proposed recommendations for minimizing the financial losses resulting from the DE program.

Introduction
The Instructional Systems Technology Department (IST) in the School of Education at Indiana University began the delivery of a Master of Science online Distance Education (DE) program this year. The program was designed and developed to mirror the on-campus M.S. program in IST in terms of its core courses and course content.

A group of six students currently enrolled in the on-campus course, R563: Business and Economics of Training and Development, were assigned the task of conducting a cost-benefit analysis (CBA) for the newly implemented program. Literature shows that most distance education studies up to now have been conducted to examine the educational advantages of online learning and to explore effective design strategies (Jung & Rha, 2000). However, the R563 team was required by its client, Dr. Charles Reigeluth, Director of the DE program, to narrow the scope of the analysis to encompass only an institutional perspective—that is, the team evaluated costs and benefits to the department and faculty involved, not those of the students enrolled in the program.

This report will provide the department with a stronger basis for making economic projections about further development of the program by presenting a better understanding of the breakdown of the development and ongoing costs and benefits of the program. The information in this report may also be useful for those responsible for the design, implementation, and maintenance of the DE program courses.
Literature Review

Distance Education (DE)
According to Molenda (1996), “distance education refers to a program of some duration, leading to formal recognition of achievement, in which the learner is separated from the instructor and in which special arrangement have been made to facilitate dialog between the remote students and an instructor.” Keegan’s (1980) definition of distance education is still widely used today. He defines the principle characteristics of DE as the separation of teacher and learner; influence of an educational organization; use of technical media; provision for two-way communication; and possibility of occasional meetings.

In general, educators believe that distance education is subject to economies of scale, and that the primary benefit of this form of education is that costs can be distributed over a large number of students. It is seen as a money-making venture because it is thought that the greater the number of students enrolled, the higher the revenue and the lower the cost per student (Inglis, 1999; Whalen & Wright, 1999). “While a potential to exploit economies of scale is a common characteristic of distance education course [sic], this does not mean that only programs with high student enrollments can be cost efficient” (Curran, 1995).

Cost-Effectiveness

Literature has shown that “distance education can be more cost-effective than face-to-face education and that costs are predominantly dependent upon student enrollment and the fixed costs of course development and delivery” (Cukier, 1997). Jung and Rha (2000) point out that costs vary from between institutions and are influenced by a number of factors depending on the situation. Factors that affect cost and/or effectiveness of online education are (Jung & Rha, 2000):

- Number of students in a course
- Numbers of courses offered (The cost of developing a course is one of the major expenses in distance education; the most cost-efficient approach would thus be to offer fewer courses for larger numbers of students.)
- Amount of multimedia component in online courses
- Amount of instructor-led interaction
- Type and amount of student support
- Type of online education platforms
- Choice of synchronous vs. asynchronous online interaction
- Completion or attrition rate

Measuring Costs

Morgan (2000) conducted a study at Marshall University to assess the worth of investing in distance learning. He designed a model to help determine the costs of online courses. He divided cost factors into three distinctive categories: capital and recurrent costs, production and delivery costs, and fixed and variable costs.

Capital costs occur on an ongoing basis, such as information technology support. Production costs are costs incurred during the development of the courses, while delivery costs are associated with teaching a course. Fixed costs are costs that do
not change as the number of students change while variable costs change with the number of students enrolled. These costs can be broken down into more specific categories, such as hidden costs, costs of developing courses, costs for teaching courses, technology specific costs, support personnel costs, faculty development costs, and administrative costs (Morgan, 2000).

According to a study by Whalen and Wright (1999), Web-based training tends to have higher fixed costs (course development costs) than classroom-based training, but these costs are offset by lower variable costs in actual course delivery. They found Web-based training to be more cost-effective than classroom teaching, due to the reduction in course delivery time and the potential to deliver courses to a larger number of students. In their study, they used the breakeven point and return on investment over five years.

In their analysis, Whalen and Wright compared the costs of development and delivery of the courses themselves, rather than comparing the amount of learning students acquire in classroom vs. distance education environments. They thus compared the costs of the Web-based courses with equivalent courses in the classroom, assuming the learning outcomes are the same. They divided their costs into fixed and variable costs. They defined fixed costs as costs that remain the same regardless of the output and variable costs as those that vary directly with the amount of output—so variable costs increase with the number of students, and fixed costs are incurred before a course is offered. “Costs that would be incurred even if a course were delivered in a classroom (sunk costs) should be ignored in costing Web-based training.”

Whalen and Wright identified costs for both traditional classroom delivery and distance education as instructor’s salary and benefits, the number of courses taught by the instructor, and the costs of course development, course materials, administrative support, classroom overhead, and any additional time the instructor spent on the course for activities such as grading and meeting with students. The Web-based course costs included equipment costs and course development costs.

Their capital costs included “the server platform shared by all courses mounted on that server as well as the cost of the content development shared by all students taking that course.” They divided content development into six items: Instructional and multimedia design; the production of text, audio, video, graphics, and photographs; the development of authoring an delivery software, or the cost of licensing commercial software; the integration, modification, and testing of course content; student and instructor training; and course testing. Operating costs were defined as the costs for time students and instructors spent using the courses. All of the costs were then analyzed to determine the costs per course, the costs per phase of development, the costs per student, and the costs per mode of delivery (synchronous or asynchronous). Whalen and Wright used a ratio analysis to determine the breakeven number of students required to recover course development costs and the return on investment over five years.

A similar study by Bartolic-Zlomislic and Brett (1999) analyzed costs and benefits of an online graduate course at the University of Toronto. Their analysis projected that the online course would make a profit of 1,962 Canadian dollars per year during five years and that 19 students would be needed to achieve a breakeven point. They found that it is possible to develop highly cost-effective online courses at a relatively moderate cost to learners.
Measuring Benefits

In cost-benefit analysis, dollar amounts are estimated for both the cost of the project and its potential or actual monetary benefits. “Cost-benefit analysis determines the extent to which the monetary value of a program or project’s benefits outweigh the costs” (Sikorski et al, 1991).

Benefit data include (Cukier, 1997):

- **Performance-driven benefits**: These include learning outcomes, cost savings, student and teacher satisfaction, and opportunity costs. These benefits lend themselves easily to a Return on Investment cost-benefit analysis, which can be compared across differing forms of teaching.

- **Value-driven benefits**: Value benefits from an institutional perspective may be time efficiency, flexibility, and consistency in quality of delivery, and expansive delivery with limited interaction—although some institutions may see more interaction as a benefit, depending on the pedagogical needs and values of the organization. Other benefits may include flexibility and ease of access to the technology, the quality of student-teacher interaction, the ability of the technology to stimulate funding and innovation, and the rate and ease by which material can be updated and changed.

- **Societal or value-added benefits**: Also called indirect benefits, these include reduction in capital investments (fewer buildings and parking lots), reduction in pollution, increased job creation, new business opportunities (telephone companies, publishers), reductions in social community costs, the creation of secondary markets, include savings in operating costs, time savings, operations management (more efficient scheduling) productivity, and increased revenue. Value-added benefits may also include the potential of the program to revitalize the curriculum and faculty and the potential to reach new markets and increase student diversity.

According to Cukier, Return on Investment methodology is predominantly characterized by costs saved. “Its main advantage is that it attributes an economic value to benefits, which allows future decisions about adopting or expanding a distance education program to be made more objectively. "Its primary disadvantage is that certain “value-added” benefits cannot be assigned an economic value and are thus excluded from consideration

A value-based approach to cost-benefit analysis stresses the importance of understanding the pedagogical needs and values of an organization before judgments are made about costs and benefits. The main strength of a value-based approach is that it allows for a subjective definition of benefits, therefore making it a flexible technique, which can be applied across many different projects” (Cukier, 1997).
Methodology

The team used two common measures of financial performance, the breakeven point (the point at which costs are recovered) and return on investment (the economic gain or loss from having undertaken a project).

Costs

Costs were first identified as instructor’s salary and fringe benefits; the number of courses taught by the instructor; and the costs of course development, course materials, administrative support, classroom overhead, any additional time the instructor spent on the course for activities such as grading and meeting with students, equipment costs, and course development costs. The team further defined the cost variables according to the Morgan (2000) spreadsheet for estimating costs and revenues for online courses. All of the costs were then analyzed to determine the costs per course, the costs per phase of development, and the costs per student. While the team calculated breakeven points for both direct and indirect costs, only direct costs can be analyzed with any certainty, as they were both identifiable and quantifiable. The team was only able to make assumptions regarding indirect costs, because at the time of this study, it was unclear how to apply the university indirect cost rates to a distance program and because the opportunity costs were neither identifiable nor quantifiable.

Direct costs

- **Developmental costs**: Number of courses being developed, stipend for development, faculty training for online course tools, salary for director, and technological support.
- **Teaching costs**: Student enrollments, stipends for teaching, salary for teaching, and graduate assistant support.
- **Technology and infrastructure costs**: Server costs, server administration, backup costs, data communications charges, and software costs.

Indirect costs

- **Indiana University’s indirect cost rates**: Building use allowance, equipment use allowance, operations and maintenance, general administration, departmental administration, sponsored projects administration.
- **Opportunity costs**: None have been identified to date.

Benefits

The DE program in IST was launched to meet the needs of the time. Although numerous benefits of this DE program are expected, their effects are abstract and long-term, and it is not easy to speculate what they might be. Furthermore, converting potential benefits into monetary terms calls into question the reliability and validity of such measures. Because of this probable lack of accuracy, the team qualitatively identified intangible benefits that can be expected from the DE program in IST. The team thus limited its scope of analysis of the DE program benefits on the basis of Cukier’s (1997) benefits categories in terms of 1) performance-driven benefits, 2) value-driven benefits, and 3) social- or value-added benefits.
Measurement

The data were collected using four separate resources:

- **Cohort Study**: Data concerning faculty salaries were taken from the Cohort Study located in the Dean of Faculties at Indiana University.

- **Questionnaire**: General information regarding the use and opinions of the DE program was gathered using a survey questionnaire that was distributed to and filled out by faculty members and graduate assistants who are directly involved in the DE program.

- **Personal Interviews**: Selected faculty members were interviewed. Those interviewed were Dr. Charles Reigeluth, Dr. Robert Appelman, and Department Chairperson Elizabeth Boling. Graduate assistants involved with the DE program, Susie Sloffer and Bill Duber, were also interviewed. These interviews focused primarily on decisions that were made regarding the Instructional Systems Technology DE courses. These decisions included: funds allocated to DE courses, additional personnel needed for them, and time required to develop and maintain each course. Carthel Everett, Contract and Grants Specialist in the School of Education, was also interviewed. Mr. Everett provided the team with the following data involving direct and indirect costs: Components of Published Indirect Cost Rates (see Appendix C) and Retirement and Fringe Benefit Rates Update (see Appendix D).

- **Online Resources**: Websites on various DE programs at Indiana University and at other institutions added to the research and analysis.

Results

**As-Is Costs and Revenues**

The results of the data are summarized as follows (see Appendix A for the detailed breakdown):

<table>
<thead>
<tr>
<th>ACTUAL REVENUES AND COSTS</th>
<th>Semester I 2000-2001</th>
<th>Semester II 2000-2001</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>11,552.00</td>
<td>8,864.00</td>
<td>20,416.00</td>
</tr>
<tr>
<td>Less: Direct costs</td>
<td>47,686.81</td>
<td>45,003.51</td>
<td>92,690.32</td>
</tr>
<tr>
<td>NET to the institution</td>
<td>(36,134.81)</td>
<td>(36,139.51)</td>
<td>(72,274.32)</td>
</tr>
<tr>
<td>Less: Indirect costs</td>
<td>23,843.40</td>
<td>22,501.75</td>
<td>46,345.15</td>
</tr>
<tr>
<td>NET after Indirect costs</td>
<td>(59,978.21)</td>
<td>(58,641.26)</td>
<td>(118,619.47)</td>
</tr>
</tbody>
</table>

**Instructor Time**

The actual hours spent by the instructor to teach a DE course are excluded from the cost-benefit analysis. At this point, there are no additional costs to the university for the time spent by the instructor to teach a DE course. The university pays the instructor the same amount for teaching an online course as it would for teaching a resident course. The underlying assumption here is that it takes the same amount of time to teach a DE course as it does to teach a regular resident course. It should be noted, however, that the amount of time instructors
put into a DE course versus the amount of time they put into resident courses should be considered to fully analyze the costs and benefits of a DE program. Dr. Barbara Bichelmeyer, the only professor teaching a DE during the Fall 2000 semester, approximated that she spends ten extra hours per week teaching the DE course than she would have spent teaching a regular, resident course. Dr. Bob Appelman, who will be teaching the Spring 2001 course, estimates he spends twice as much time teaching a DE course than he would a regular course. Other instructors who have been involved with DE in the past reported that teaching a DE course is more time consuming than teaching a resident course.

**Return on Investment (ROI)**

The ROI for the DE program is going to be 0% for five years. Under present conditions, the IST department will continue to lose money. ROI is calculated as: 
\[(\text{sales} - \text{costs of all sales}) / (\text{working capital} + \text{permanent investment})\].

The ROI for the IU DE program is: 
\[
\frac{(20,416.00 – 139,035.47)}{0.00} = 0\%
\]

- **Sales**: revenues from tuition and technology fees = 20,416.00
- **Costs of all sales**: direct costs + indirect costs = 92,690.32 + 46,345.15 = 139,035.47
- **Working capital**: 0.00
  (At present there is no working capital)
- **Permanent investment**: 0.00
  (To date, there has been no investment in the DE courses)

**Breakeven Point**

Breakeven points are calculated for two scenarios: the first includes both direct and indirect costs, and the second includes only direct costs. There are three breakeven points for each scenario:

I. If the department were to increase the number of students enrolled at the present in-state tuition

II. If the department were to increase tuition but keep the number of students status quo

III. If the department were to increase both number of students and tuition

*Scenario 1: Total Costs (Direct and Indirect Costs)*

Note that the calculation ignores the fact that costs might increase when the number of students increases. The current total costs for 16 students is $139,035.

- **Current total costs (2000-2001)**: $139,035
- **Current revenues (2000-2001)**: $20,416
  Revenues consist of tuition and technology fees ($50). Currently DE students pay in-state tuition ($168 per credit hour).
- **Revenue from one student**:
  - **Technology fee**: $50 per course or $100 per year
- **Tuition**: $1277/academic year=[($168 per credit hour) x (7 credit hours)] + [(50 technology fee) x (2 semesters)]

- **Total DE credit hours offered year one** (2000-2001): 7 total = 4 (R521/22) + 3 (R541)

- **Net benefits**: -$118,619

I. Increase the number of students enrolled in the DE program to reach breakeven point of 109 tuition-paying students ($139,035/$1277 = 109 students). If there were no increase in costs whatsoever with the addition of students, the DE program would still require 109 students to break even.

II. Increase tuition given a fixed number of students per semester (16) to reach breakeven point:

\[
\frac{139,035}{32 \text{ students}} = \$4,345 \text{ per student per year} \\
\$4,345 - $50 (technology fee per semester) \\
= \$4,295 \text{ direct cost per student per year} \\
\$4,295 \times \frac{2 \text{ semesters}}{7 \text{ credit hours (R521 + R541)}} \\
= \$1,227 \text{ amount needed to meet the direct costs per credit hour}
\]
IV. Increase both tuition and the number of students to 20–25 (the ideal number of students in a DE class, according to the survey). In the following formula, X is the tuition per credit hour needed to break even.

<table>
<thead>
<tr>
<th>Case of 20 students</th>
<th>Case of 25 students</th>
</tr>
</thead>
<tbody>
<tr>
<td>[(20X)(7) + (20)(100)] = $139,035</td>
<td>[(25X)(7) + (25)(100)] = $139,035</td>
</tr>
<tr>
<td>X = $979</td>
<td>X = $780</td>
</tr>
</tbody>
</table>

Scenario 2: Direct Costs (No Indirect Costs included)

Note that the calculation ignores the fact that costs might increase when the number of students increases. $92,690 is the current direct costs for 16 students.

- **Direct costs** (2000-2001): $92,690
- **Current revenues** (2000-2001): $20,416
  Revenues consist of tuition and technology fees ($50). Currently DE students pay in-state tuition ($168 per credit hour).
- **Revenue from one student**:
  - **Technology fee**: $50 per course or $100 per year
  - **Tuition**: $1276/academic year =\[(($168 per credit hour) x (7 credit hours)) + [(50 technology fee) x (2 semesters)]\]
- **Total DE credit hours offered year one** (2000-2001): 7 total = 4 (R521/22) + 3 (R541)
- **Net benefits**: -$72,274

I. Increase the number of students enrolled in the DE program to reach breakeven point of 73 tuition-paying students ($92,698/$1276= 73 students). If there were no increase in costs whatsoever with the addition of students, the DE program would still require 73 students to break even.

![Graph showing break-even point for number of students and costs](graph.png)

II. Increase tuition given a fixed number of students per semester (16) to read the breakeven point:

\[
\frac{92,690}{32 \text{ students}} = \$2,897 \text{ per student per year}
\]

\[
\$2,897 - \$50(\text{technology fee/semester}) = \$2,847 \text{ per student per year}
\]
$2,847 * [2 semesters / 7 credit hours (R521 + R541)]

= $813 amount needed to meet the direct costs per credit hour

III. Increase both tuition and the number of students to 20–25 (the ideal number of students in a DE class, according to the survey). In the following formula, X is the tuition per credit hour needed to break even.

\[
\begin{align*}
\text{Case of 20 students} & \\
[(20X)(7)] + [(20)(100)] &= $92,690 \\
X &= $648
\end{align*}
\]

\[
\begin{align*}
\text{Case of 25 students} & \\
[(25X)(7)] + [(25)(100)] &= $92,690 \\
X &= $515
\end{align*}
\]

Discussion

DE Program Costs to IST

Examination of the direct cost expenditures versus the revenue generated by tuition clearly illustrates the amount of money lost via the IST DE program. If direct and indirect costs are factored together and then compared, the gap is even greater. Even if DE students are charged with current out-of-state tuition rates, the program will not make money. The above figures regarding tuition costs based on student enrollment of 20 and 25 still indicate that tuition must increase for the program not to lose money. One of the first problems the survey team encountered while collecting these figures was that there was no one in the IST department who had a clear understanding of what the exact costs of an on-campus class are, much less the costs for DE. At best, the professors who responded to the survey could only estimate the amount of extra time spent to develop a DE course. They did not know the monetary costs of delivering such a course. When asked about the department charging only in-state tuition for the IST DE program, no professor could explain the logic behind that decision. The assessment team was told simply that the Board of Trustees sets tuition, and the IST department was not involved with the DE tuition decision.

There was also no clear information regarding the indirect costs for the IST department and the university. The small amount of information available was five years out of date. It appears to be a case of the left hand not being aware of what the right hand is doing. None of the faculty knows exactly how much time he or she has devoted to DE courses, and none of them knows about resource
consumption regarding the DE courses. The assessment team was forced to make certain assumptions and estimates to calculate the direct and indirect cost rates listed above and in Appendix A. The limited data available was inserted into the cost calculation model from Dr. Brian Morgan at Marshall University. Some of the categories from Dr. Morgan’s model did not apply to the IST DE program. For instance, the IST DE program was given the go-ahead from the School of Education on July 1, 2000 to commence with distance education for the Fall 2000 semester. The department had approximately one month to prepare the coursework. Thus, the IST DE program generated revenue in the first year. Dr. Morgan’s model does not allow this to happen. His model accounts for the first year of a DE program being devoted strictly to development without student enrollment and therefore not generating revenue.

Dr. Morgan’s model also calls for costs of technology investment. However, the IST DE program has the luxury of lavish facilities within the School of Education, so the infrastructure already exists for the design and delivery of DE. The department did not have to purchase any extra equipment. Interviews with the professors indicate that in the near future, there will need to be an investment into technology solely for the purpose of DE. This is just one of many costs that will need to be considered in the future of the IST DE program. These costs are outlined in Appendix A.

Opportunity costs also did not factor into the analysis. The professors assigned to the DE project, with the exception of Dr. Reigeluth, are fulfilling their contractual teaching obligations via the DE program rather than teaching on-campus classes. Dr. Reigeluth was released from teaching two classes in order to direct the DE program. His time spent with DE could be spent teaching on campus classes in which more students could participate. Some of these students would also be paying out-of-state tuition and would be generating more revenue.

Cost projection is always a guessing game. Since the IST DE program is new, it could be the case that nobody knew how much time and money would be required for the program to work. No matter what the case may be, charging the DE students only in-state tuition is a large financial drain on the department. Professors are spending twice the preparation time for DE than for a resident course and they are not being compensated for this effort. Much of the development time involved with the IST DE program is unaccounted for, and professors can only estimate the amounts of their personal involvements. In the survey responses, the professors did make it clear that they are not happy with the current situation.

**DE Program Benefits to IST**

The team originally intended to limit the scope of its benefits analysis to costs saved, as these benefits easily lend themselves to a ROI methodology. However, results of the study show that at this time, there are no cost savings in the DE program, and thus no monetary benefits. Other more intangible benefits are likely to evolve with the program over time.

Performance-driven benefits

- **Future cost saved:** Once above the breakeven point, the IST department can expect a substantive increase in revenue in the DE program. In terms of economies of scale—and given that the variable costs are relatively
small in the DE program—as the number of students increase, IST can expect compound revenue from tuition.

- **Student and professor satisfaction**: The DE program allows students and professors a certain amount of flexibility in terms of time and space that they do not get in a resident program.

- **Learning outcomes**: Given that the value of academic achievement of students continues indefinitely, it is hard to convert this value in monetary terms in a particular timeline. However, IST can expect that its DE program will attract capable students who cannot join the regular Master’s program on campus, such as students with disabilities or with distance constraints. If the DE program in IST extends to overseas students, it provides an alternative to overseas study for students out of the United States. Therefore, the DE program may attract international students who want to join the IST program.

**Value-driven benefits**

IST DE program has the potential to offer high-quality learning opportunities to the number of potential students with limited resources and time. The DE program’s efficiency therefore benefits the ISD program. From a professor’s perspective, the DE program can lessen the professors’ workload associated with lectures and teaching in terms of preparation. First, the DE courses can be reused by upgrading or updating online materials every semester. Thanks to advanced digital technology, upgrading of the DE program has become easier. Therefore, professors can concentrate on pedagogical work rather than redundant chores, such as copies of handouts or reading materials. Second, it can unshackle professors from time and space constraints. Given the fact that professors have countless tasks to cover, such as research, conferences, and numerous meetings, professors need to spend their time more flexibly. Since professors don’t need to appear in person in the class at a given time in the DE program, they can arrange their tasks efficiently. This benefit also falls into societal or value-added benefits.

**Societal or value added benefits**

In terms of reduction in capital investments, much money can be saved in the university’s physical environment, such as classrooms, labs, and even parking lots. Potentially, there may be a reduction in pollution from commuting students. Ultimately, the success of the DE program in IST fields enables Indiana University’s IST program to raise its prestige as a cutting-edge program. Consequently, it attracts bright students and prompts funding for the IST department.

**Conclusion & Recommendations**

While the institutional prestige of Indiana University and the IST department might grow as a result of the distance education program, the department and the university will suffer if the economics of the program are not drastically altered. The university is spending nearly $120,000 more than they bring in for gross revenue each academic year (not including summer sessions) at the current spending rates. This program will not sustain itself in the current state. Unless significant changes are made, the team would recommend that the distance education program be discontinued. The as-is analysis in Appendix A shows that in order for the current DE program to minimize financial losses, either the
enrollment must increase at current tuition rates, or else tuition costs for each student in the DE program must drastically increase. The professors who responded to the survey the team distributed all concur that development time is significantly greater for the online courses and that their salaries do not reflect this extra output.

A potential solution to that problem is to hire new faculty whose job description entails dealing solely with design, development, and implementation of the DE coursework. This might require creating one or two more GA positions within the IST department. One might avoid the extra expense for GA’s if the development of DE coursework were incorporated into the existing graduate and/or undergraduate course requirements.

If these changes are found unacceptable or simply not feasible, the next best alternative might involve outsourcing the program to UNext.com and Cardean University. UNext strictly develops material for delivery of online courses and currently have partnerships with Stanford, University of Chicago, London School of Economics, Columbia, and Carnegie-Mellon University. Cardean is the academic face of UNext, and the degrees conferred through their programs are joint degrees (Cardean-Stanford, etc) so Indiana University would still gain the institutional prestige via graduates from this program. UNext is also set up to deliver courses internationally, and students gain another potential benefit in that, via UNext, there is no “on-campus” requirement for program participation.
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