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The Funding of Academic Collaborations

August 2008

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Foreword

Collaboration is again a hot topic in higher education circles, but for many of us, it has always been part of our daily routine. WICHE and WCET are examples of two organizations that have promoted inter-institutional cooperation for decades.

Academic collaborations and their efforts to foster inter-institutional cooperation have gained tenure across the United States and Canada in recent years. Some of us, like my own organization, The Ohio Learning Network, were born in the late 1990s in response to widespread adoption of educational technologies and the advance of distance education. With most emerging in the last 10 to 15 years, there are now almost 90 academic collaborations with a focus on using technology to enhance teaching and learning.

For the first time in research on this subject, this paper recognizes the growth of this movement in Canada by including them in this research. Also for the first time, we have included organizations that cross state and provincial boundaries to accomplish their goals.

As different as our states, provinces, and countries can be, we all share one thing – a great interest in working together. That interest led us to create this new Academic Collaboration Common Interest Group (CIG) supported by WCET. In cooperation with Kansas State University's Institute for Academic Alliances, you will soon see a web site dedicated to resource sharing, problem solving, and network building. We will provide occasional papers and reports such as this one on how we are funded.

Statewide academic collaborations have been the subject of several previous reports. *The Funding of Academic Collaborations* is the first one to focus on how these collaborations are financed and where they spend their limited dollars. It is fitting that we present this report now. It shows our stability, our successes, and this important financial data that shows our clear benefits to our constituents.

Read this report. Show it to those who fund you and those whom you serve. I invite you to visit the web site (http://www.wcet.info/2.0/index.php?q=Publications) and send us your comments and suggestions for further projects.

Kate Carey
Executive Director
Ohio Learning Network
and
Common Interest Group Co-Chair (with Connie Broughton, Washington Online, and David Porter, BCcampus)

Executive Summary

To leverage expertise and efficiencies in implementing educational technologies, higher education leaders often create centralized service organizations or interinstitutional partnerships. Defined as "academic collaborations," these organizations foster interinstitutional partnerships that share resources to increase institutional capacity for, sharing of, and access to technology-mediated courses and programs. This paper surveyed academic collaborations to gain insight on effective models used to finance their activities.

This work was the first product of WCET's emerging Academic Collaboration Common Interest Group. This group engages leaders of these organizations in identifying issues that they would like to address collectively. This work is also undertaken in partnership with Kansas State University's Institute for Academic Alliances, which seeks to create a website for the purpose of sharing academic collaboration policies and procedures.

In late 2007 and early 2008, WCET and the WICHE Policy Analysis and Research unit targeted 85 academic collaborations with a survey, seeking input on the amount and sources of their funding. Thirty-nine organizations responded, resulting in a 46 percent response rate. Of the original 85 targeted organizations, eight appeared to be defunct and another six appeared to be operational, but no current contact person could be found for them. The survey expanded on prior research models by including Canadian and interstate collaborations that were not part of earlier studies.

The following policy implications arise from observations based upon the survey responses:

- **There is no one best financial model**. Financial models with vastly differing philosophies are equally successful in meeting the financial needs of their organizations.
- **Evolve or dissolve**. Academic collaborations that have evolved their services and funding models to meet the ever-changing needs of their clientele have been more successful than those that have not.
- **Diversify or focus**. Diversity in funding streams allows an academic collaboration to maximize its revenue and guard against overdependence on any one source. On the other hand, two collaborations found success by focusing their missions and efforts on maximizing the revenue from a single source of income.
- **Few and fewer funding choices**. The choices of funding sources are few, and some are becoming less viable:
    - Appropriations have seen limited growth, except for newer consortia.
    - Dues accounted for more than $500,000 for only two collaborations.
    - Revenue sharing or per course/per credit fees are not used by two-thirds of those surveyed but are the source of substantial income for a few collaborations.
    - Sales of services and products appears to be a growing source of income.
    - Grants are now used by only about one-quarter of the respondents.
    - Donated or in-kind services were not a major source of support.
    - No unexpected income sources were identified.
- **Donated is not free**. Detailed accounting of donated services seems rare, and the fiscal liabilities involved should be more clearly tracked.
- **Beware of the politics**. Sometimes failure is not about effective financial models but about fights for power, control, and money.
- **Fasten your seat belts, it's going to be a bumpy economic ride**. Academic collaboration appropriations in 2005-07 trailed growth in higher education spending. If they did not grow in good times, what will happen in bad times? Academic collaborations are successful when they: a) leverage efficiency and quality gains achieved through cooperation; b) adapt to an ever-changing environment; and c) are creative in harvesting available funding sources.

Section I. Introduction

There have long been partnerships of institutions that work together to meet common goals, such as sharing courses and programs, joint purchasing, and transfer articulation. The influx of educational technologies expanded the opportunities for institutions to form more partnerships and to expand their geographical reach.

For the purposes of this study, the authors looked at a subset of these partnerships, academic collaborations. An academic collaboration fosters interinstitutional partnerships that share resources to increase institutional capacity for, sharing of, and access to technology-mediated courses and programs. This definition was applied broadly to include partnerships that provided a wide range of activities from just a few services (e.g., course listing websites or marketing) to much more complex relationships (e.g., joint programs or integrated student information systems).

During the past year, WCET invited members to create common interest groups that would attract WCET members with like interests. Common interest groups are intended to identify issues or projects that members would like to address collectively. The Academic Collaboration Common Interest Group is one of the first groups to be piloted. Kansas State University's Institute for Academic Alliances proposed a related project that is being financed through a grant from the U.S. Department of Education's Fund for the Improvement of Postsecondary Education. The Institute for Academic Alliances is partnering with WCET to create a website to share policies and procedures from academic collaborations, so that they can learn from each others' practices.

Through meetings and processes organized by the Institute for Academic Alliances and WCET, an initial list of issues of interest to the leaders of the academic collaborations was developed. From that list, the issue of how academic collaborations are financed was selected as the first one to be explored in depth. Russell Poulin of WCET and Demarée Michelau of WICHE's Policy Analysis and Research unit agreed to conduct a survey to research the issue.

Interest in the issue of funding academic collaboration has grown in the past few years, and the reasons for this interest are almost as varied as the collaborations themselves:

- **Success**. Some collaborations are riding a wave of success, with double-digit growth in students served and demand for more services. Their funding issues revolve around scalability and keeping apace of demand.
- **Retooling**. Due to changes in technology, leadership, politics, or other factors, the existence of, services provided by, and funding for some academic collaborations have been called into question by their legislatures or constituents. Their funding issues revolve around what models work well elsewhere.
- **Demise**. A few academic collaborations are no longer operating. While they no longer have funding challenges, the question remains as to what can be learned from the choices made and how the funding model figured into the decision to curtail their activities.

The purpose of this survey is to examine the methods used by academic collaborations in financing their activities in an effort to learn from one another.

Background

Academic collaborations are known by a variety of names, including "virtual consortia" and "distance-learning consortia." The lack of consistent terminology is indicative of many of the evolving qualities of these collaborations, including the mechanism by which they are financed and funded.

The rapid increase in technology in the mid to late 1990s inspired tremendous growth in the number of what one set of researchers called virtual colleges and universities.[1] During this time, technology-mediated education (whether online, videoconferenced, a hybrid of face-to-face learning and technology, or other methods) increasingly became much more widely accepted as an effective means of learning, expanding skills, and earning degrees.

Throughout this decade and into the next, an increasing number of students, particularly those considered to be nontraditional, turned to virtual

colleges and universities. A recent study found that almost 3.5 million students took at least one online course during fall 2006, an almost 10 percent increase over the previous year and far greater than the 1.5 percent growth of the overall higher education population.[2] Students enroll in distance-learning courses for a variety of reasons, some of which include fulfilling requirements that are unavailable at their home campus, completing degrees, and developing specific knowledge or skills. Whatever the reason, the result has been significant growth in online enrollments.

At the same time there has been an increase in the number of academic collaborations or coordinating organizations that facilitate the offering of credit-bearing distance-learning courses, programs, or services. This is likely due to the increased demand, but also because academic collaborations provide states and institutions with a means to reach more students, provide additional services, and increase access.

Prior Research

Researchers have conducted several surveys and studies on academic collaborations, a few of which include some attention to financing structures. For instance, in 2002 the Southern Regional Education Board's Distance Learning Policy Laboratory published, *Using Financing Policy to Reduce Barriers to Distance Learning*.[3] This report included four case studies that represented different governance approaches – centralized, decentralized, mixed, and freestanding – in order to examine relevant policy issues, including: tuition, fees, and charges; funding methods; costs and resource management; and education as e-commerce. In 2003 Rhonda M. Epper and Myk Garn conducted a national study that examined the goals, functions, challenges, and outcomes of statewide virtual universities in the U.S. Their focus was on distance-learning consortia that were comprised of public higher education institutions within a single system or state. That same year, James R. Mingle, the director of the Distance Learning Policy Lab, wrote *Organizational and Financing Models for Electronic Consortia*. Unlike Epper and Garn's work, which was organized by organizational type, Mingle grouped the consortia by revenue source. He examined five models – entities supported primarily by direct state appropriations; member fee organizations; tuition revenue-sharing plans; informal grant-based consortia; and private sector models – and noted that most tend to have more than one single stream of revenue.[4] In 2006 Russell Poulin of WCET updated and expanded on Mingle's paper for the Nursing Education Xchange (NEXus) project: *Financial Models for the NEXus Course Exchange* also includes analysis on applying these options in the NEXus setting.[5] Funded by the Kentucky Virtual Campus in 2006, a partnership between the National Center for Higher Education Management Systems (NCHEMS), WCET, and the Ohio Learning Network conducted a broad survey of virtual colleges and universities. This work asked questions about budgets, staffing, and services but largely focused on academic and student support issues (e.g., library, accessibility, and counseling).[6]

Expanding on Prior Research

While previous work has provided much insight into how technology-mediated education is provided and financed, this analysis takes a slightly different approach. First, the authors expand the scope to include multistate consortia. Most previous research focused on organizations within a single state. Second, this analysis omits consortia that collaborate solely to purchase technology because their arrangements are beyond the intended scope of this paper. Third, this survey focuses more deeply on how academic collaborations are funded than previous research. A final difference between this study and prior studies is the inclusion of Canadian academic collaborations. These organizations have been flourishing in the past few years, and their leaders are very interested in participating in discussions with like organizations in the U.S.

Section II. Methodology

The authors developed the online survey in October 2007. It consisted of 24 questions, including those about how academic collaborations are funded, which services they provide, and demographic information (see Appendix A for the survey instrument). The survey also included definitions of the terms used in the survey.

"Academic Collaboration": A Definition

Even though the definition was tested and reworked several times prior to administering the survey, some responses still indicated confusion over whether their organizations should be included in the study. A few respondents mistakenly believed that we were focused solely on sharing courses and programs. Our intention was to be more expansive in our definition and to include those organizations that provide the e-learning tools or expertise for individual institutions to offer courses – shared or not.

Some respondents contacted us and, after additional clarification, understood and completed the survey. A few contacted us and did not complete the survey after additional clarification, even though they were in our defined sample universe. A small number gave a few (and only a few) "strange" answers. Where we were able to do so, we either clarified, identified, or excluded those answers from reported results – at our discretion.

Crossing Geographic Boundaries

Most previous studies of academic collaborations tended to focus on those organizations that primarily served pubic institutions within their state or province. This survey also included organizations that cross geographic boundaries. An example is the Committee on Institutional Cooperation, which serves the public and private institutions of the Big 10 athletic conference plus the University of Chicago.

Considerations for cross-border collaborations stemmed from conversations with several sources, including: Sue Maes of Kansas State University's Institute for Academic Alliances; Jere Mock and Susan Lopez of the WICHE Internet Course Exchange (ICE); and Paula McNeil of the Western Institute of Nursing's Nursing Education Xchange (NEXus). Through those conversations and in compiling the list of potential organizations to be surveyed, we learned that:

- In the past few years there have been a growing number of efforts that reached institutions in multiple states or provinces.
- These collaborations are facing the same challenges in deciding which services to offer and how to finance their activities.

It is the authors' hope that including these organizations in the project universe assists in defining similarities and differences and that expanding the conversation will encourage more shared learning of successful financing techniques.

In presenting the survey results, it was sometimes necessary to separate the responses of these cross-border collaborations. For those purposes the following headings will be used:

- Single state/province – for the 32 responding organizations with the primary mission of serving institutions within their state or province.
- Cross-border – for the seven responding organizations with the primary mission of serving institutions in multiple states or provinces.

In addition, the inclusion of Canadian organizations introduced the issue of calculating exchange rates. During the unique moment in time in which the survey was conducted, the Canadian and American dollars were nearly at par. Since the differences are so slight, for purposes of this survey, each organization was asked to respond using its own currency. No exchange rate was calculated.

Developing and Conducting the Survey

Representatives from five consortia piloted the survey in November 2007. The pilot group was asked whether the survey questions: adequately addressed the defined scope of the project; allowed for the expected wide variety of responses; and used language that was clear and easy to understand. The pilot group represented organizations that support both two- and four-year institutions, as well as a variety of funding arrangements. All five individuals completed the pilot survey and offered constructive feedback that was incorporated into the final version of the survey.

Along with an introductory email from WCET staff, the survey was sent on December 7, 2007, to 85 consortia, asking for it to be completed by December 20, 2007 (see Appendix B). The survey was administered using Vovici.com, an online surveying tool. The email included a hyperlink to the URL address where respondents could access the survey instrument, and instructions were

clear that each institution should submit only one completed survey. Further, the authors asked the email recipients to forward the survey to the appropriate individual, if he or she were not the right person to complete it.

A reminder email was sent on December 18. Early in the process, the response rate was low, which was most likely due to the unpredictable schedules of the holiday season and because classes in university settings tend to end by the second week of December. As a result, the authors extended the deadline for completion until January 14, 2008. In addition, Russell Poulin (who has regular, professional contact with many of the individuals targeted) sent a personal email on January 4, describing the work that was being undertaken and asking the potential respondents to complete the survey. Over the next week, he also sent personalized emails to the nonresponders. Final, personalized reminders were sent on January 13.

In the course of conducting this study, the authors identified 85 academic collaborations that fit the definition and had websites that were operational. Upon further analysis eight were either confirmed to be defunct or, if not confirmed, had not updated content in a year. An additional six appeared to be operational (although some at a low level), but repeated attempts to identify a contact person were fruitless. The number of defunct sites or those operating at a low level (mainly a website with links to colleges and little else) suggests that the stability of some consortia is questionable.

In all, the survey elicited 39 responses in the 54-day period from December 14, 2007, to February 5, 2008, producing a response rate of 46 percent (see Appendix C for a list of the academic collaborations that responded). Two responses were completed after the deadline, and they were included in the results.

The results of the survey were presented at a meeting of academic collaboration leaders on April 24, 2008, in Boulder, CO. Those participants provided edits and feedback that were incorporated in this report.

Section III. Demographics

While the focus of this study is on the funding of academic collaborations, a brief examination of the demographic characteristics of these organizations and the students they serve is useful.

Number of Students Served

Not only is the number of academic collaborations a moving target, the size and scope varies as well. For instance, Figures III.1 and III.2 show the number of students served by the nation's academic collaborations. It should be noted that the challenge associated with comparing the number of students served is that academic collaborations calculate this figure differently. For instance, of the 39 survey responses, 14 collaborations can provide data on unduplicated headcounts, 21 know their total enrollments, and five can provide user counts. The user counts are typically the number of students with a course management system account, but a student might use the account for one class, many classes, or as part of a hybrid course. Only one collaboration has the capacity to provide data using all three methods. Two others were omitted from the analysis because they provided the same number for all three methods, which is virtually impossible to achieve. Three additional collaborations were omitted due to data entry errors.

Figure III.1. Number of Students Served (FY 2007)
User Counts

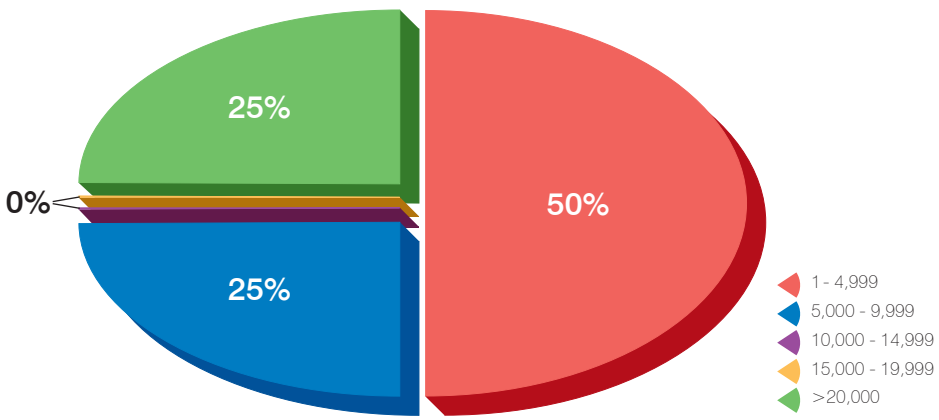
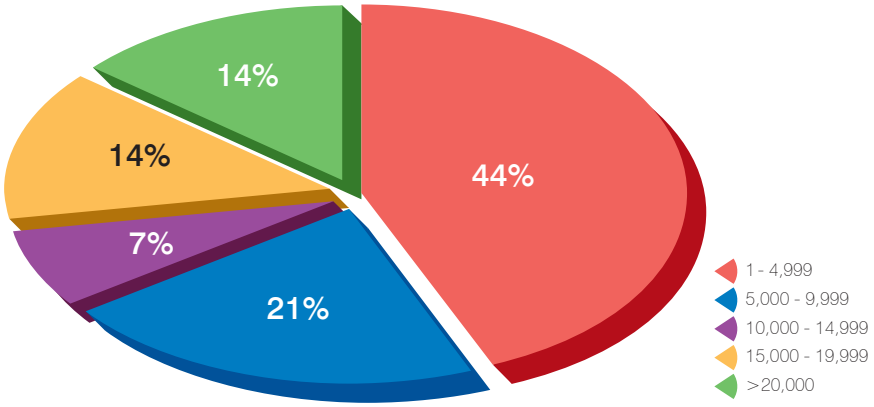


Figure III.2. Number of Students Served (FY 2007)
Unduplicated Headcounts



Number of Institutions

The number of partner institutions in an academic collaboration also provides a sense of scope (see Figure III.3). Thirteen percent of academic collaborations have five or fewer partner institutions, but about 28 percent have between six and 10 partners, and 31 percent have between 11 and 20. Five percent of academic collaborations have between 21 and 30 partners, and about 8 percent have more than 50 institutions.

Consortia leaders often report that the complexity of managing cooperative organizations grows at an exponential rate with each additional member. This is especially true when the new partner interacts not only with the central administrative unit but also must form a relationship with every other institution in the partnership. Given the added complexity of large partnerships, it is notable that more than half of all academic collaborations surveyed have at least 10 members and almost a quarter of them have more than 30 members.

Number of Staff

Still another indicator of the capacity of academic collaborations is staff size. Figure III.4 shows the breakdown.

The majority (57 percent) of academic collaborations maintain small staffs, employing one to five FTE (full-time equivalent). Fifteen percent employ six to 10 FTE, and 5 percent employ 11 to 20 FTE. Another 15 percent claim more than 20 FTE. Three academic collaborations (8 percent)

Figure III.3. Number and Percentage of
Partner Institutions

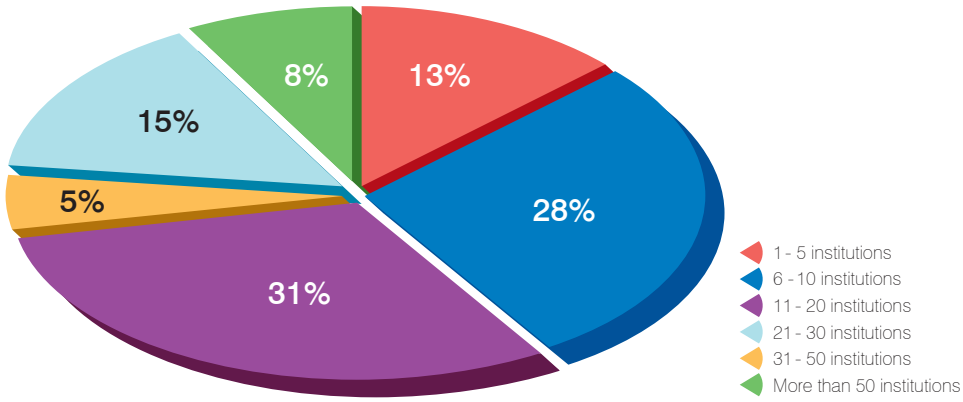
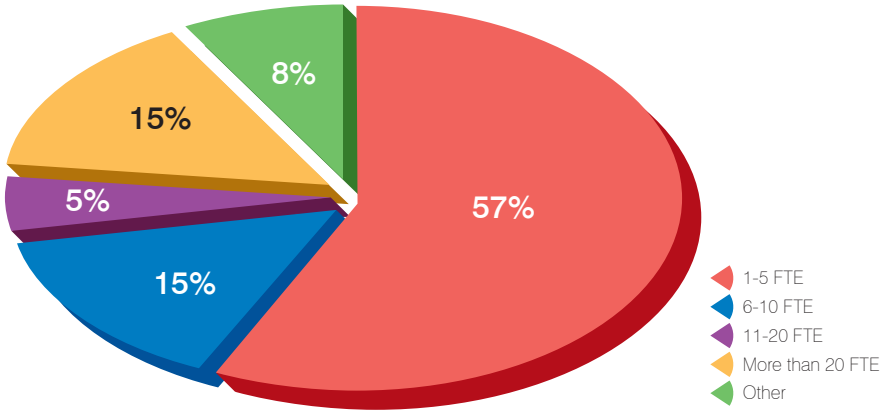


Figure III.4. Academic Collaboration Staff Size (FTE)



have no FTE at all: their services usually arise from contributed work, and they have not calculated the FTE effort that supports their work.

Services Offered by Collaborations

Despite their generally small staff sizes, academic collaborations offer a wide variety of services. Of the 39 responses, only 11 provide admissions services (28 percent), and only 14 (36 percent) offer registration. Other services include generating joint online course listings or course catalogs (87 percent), providing faculty development (67 percent), operating learning object repositories (31 percent), managing nontechnical call centers (46 percent), offering technical support (41 percent), providing academic advising (23 percent), and offering tutoring services (41 percent).

Governing Collaborations

Not surprisingly, the mechanisms by which these organizations are governed vary widely (see Figure III.5). While governance in traditional colleges and universities has had years to develop and is rather transparent, academic collaborations are still trying to find their proper place in the state higher education governance space.

Of the 39 survey responses, 15 (38 percent) of the academic collaborations report being part of a state or provincial governing body. Two (5 percent) are independent government agencies, seven (18 percent) are independent nonprofit agencies, and none are independent for-profit agencies. Most telling is that 14 (38 percent) categorized themselves as "other" and included descriptions such as "administered by a university," "community college association," "agent of a coordinating board," and "very loose governing structure."

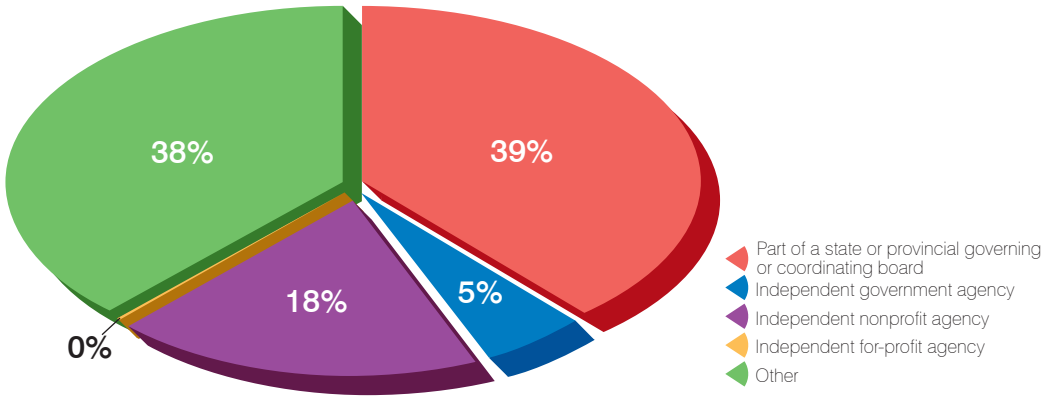
Academic collaborations are in a constant state of evolution. By their very nature, they are innovative and responsive to the needs of students, but too often they are reactive to state budgets and other factors out of their control. While they may be evolving, the survey indicates that some have become an important force in expanding higher education for their constituents, while others are vanishing or have little relevance. Understanding their finance structures, and identifying strategies that increase their stability, will assist existing collaborations in strengthening their financial support and assist new collaborations in avoiding dead-end paths.

Section IV. Findings and Observations

In addition to an analysis of the survey results, this section includes observations, caveats, interpretations of the results, and a discussion of unexpected outcomes that stray from the authors' expectations regarding financing issues. Also included are general comments that will be helpful in understanding the context in which the survey was conducted.

Note that for all of the following sections, unless otherwise indicated, the responses were for FY

Figure III.5. Governance Structures that Oversee Academic Collaborations



2007. While the beginning and end of fiscal years may vary slightly among the organizations surveyed, the authors assumed that there are more similarities than differences and did not ask respondents to recalculate their income into a standard time frame.

A. Academic Collaboration Central Administration Budget

Table IV.1 provides a general overview of the size of the budgets of the 32 single state/province and seven cross-border academic collaborations surveyed. About half of the collaborations operate on annual budgets of less than $500,000, and some operate on considerably less than that amount. One-third operate with budgets of more than $1 million. The following sections detail the sources of this funding.

B. Government Appropriations

Governors and legislators in many states and provinces have supported direct appropriations to academic collaborations that have a primary focus of serving public institutions within their state or province. These organizations often support the sharing of programs, courses,

Table IV.1: Annual Budget of Academic Collaboration Central Administrative Units

	Single State/Province	Cross-Border
Less than $500,000	14 (43.8%)	5 (71.4%)
$500,000 - $1,000,000	5 (15.6%)	1 (14.3%)
$1,000,001 - $3,000,000	7 (21.9%)	1 (14.3%)
$3,000,001 - $5,000,000	1 (3.1%)	0 (0.0%)
$5,000,001 - $8,000,000	3 (9.4%)	0 (0.0%)
More than $8,000,000	2 (6.3%)	0 (0.0%)

academic support services (e.g., library, tutoring), student support services (e.g., bookstore, registration), and technical support (e.g., software, help desks). Another role of academic collaborations is to support innovative experimentation by a subset of the institutions. Once the innovation is tested, the remaining institutions can benefit from the lessons learned in implementing the innovation on their own campus.

Given the benefits of costs savings, leveraged expertise, and improved student experience, direct appropriations to an academic collaboration could be seen by governors and legislators as a wise investment. Survey results show that this view is not held in every state or province, however. The following tables include only the single state/province responses. As expected, no cross-border organizations reported any direct appropriations. There also were no direct federal appropriations to any of the respondents, which is in line with higher education governance being at the state and provincial level in both the United States and Canada.

Of the 32 single state/province responses, about two out of every five receive no state or provincial appropriations (see Table IV.2). Given that their primary missions are to serve the needs of publicly funded institutions, this finding is somewhat surprising. Seed money is often helpful in providing incentives for institutions to seek cooperation and efficiencies.

Table IV.2: Income Derived from Appropriations from State/Provincial Governments

	FY 2005	FY 2006	FY 2007
$0	13 (40.6%)	12 (37.5%)	12 (37.5%)
Less than $500,000	5 (15.6%)	7 (21.9%)	6 (18.8%)
$500,001 - $1,000,000	4 (12.5%)	4 (12.5%)	5 (15.6%)
$1,000,001 - $3,000,000	5 (15.6%)	4 (12.5%)	4 (12.5%)
More than $3,000,000	5 (15.6%)	5 (15.6%)	5 (15.6%)

About a quarter of the collaborations surveyed receive more that $1 million annually, and a few receive substantially more than $1 million. While it is typically the more populous states or provinces that are supporting collaborations, this is not always the case. Larger appropriations seem to follow cross-sector initiatives, such as the $20 million supporting the Utah Education Network, which serves K-12, higher education, adult learning, and public broadcasting. Bill Randall, associate vice president for learning technology for the North Carolina Community College System, who reported an $850,000 appropriation for the community colleges said:

> We have secured over $8 million in recurring state appropriations in the past three years to support e-learning. Those allocations will support a balance of broadband connectivity, digital-learning content development and deployment, support for students, staff and faculty, and collaborations, both internal to our system and with the other public education systems in North Carolina.

Of the 20 academic collaborations that received appropriations in FY 2006 and FY 2007, about half of them had stable appropriations during a time of growth in state spending on higher education in the United States (see Table IV.3). The National Association of State Budget Officers reports:

> Overall, total state higher education spending grew by 5.7 percent in fiscal 2006. State funds (general funds plus other state funds) grew by 6.6 percent, while federal funds grew by 2.3 percent. In fiscal 2007, overall state higher education spending is estimated to grow by 8.2 percent, with state funds increasing by 9.3 percent and federal funds declining by 8.1 percent.[8]

Some notable changes in appropriations:

- British Columbia's BCcampus appropriation is $1 million more than in FY 2005.
- The North Carolina Community College System grew from zero to $850,000 in two years.
- The Utah Education Network appropriation grew by $2 million in both FY 2006 and FY 2007.
- The Indiana Higher Education Telecommunications System had a sizable cut – more than $1 million – due to a change in organization and reduction of services. Of the nearly $5 million dollars in appropriations for 2007, about $2.1 million was designated for network support for members of the consortium.
- While South Dakota's Electronic University Consortium experienced a reduction of less than $50,000 for FY 2007, it represented a cut of almost one-third of its funding from 2006.

Table IV.3: Year-to-Year Changes in State/Provincial Appropriations

	2005 to 2006	2006 to 2007
Grew	8 (40.0%)	8 (40.0%)
Stayed the Same	9 (45.0%)	10 (50.0%)
Reduced	3 (15.0%)	2 (10.0%)

C. Dues

Membership dues are a time-proven method of generating income and have the advantage of being a fairly predictable revenue source over time. Dues enforce a base level of institutional support not found in sliding scales related solely to enrollment or course counts, such as revenue sharing or per course/per credit fees.

While none of the cross-border collaborations receive any appropriations, all of them charge dues to their members. For the cross-border group, dues income ranged from a low of $10,000 for the National Universities Degree Consortium to $263,000 for the Jesuit Education Network.

Only one-quarter of the single state/province collaborations collect any dues (see Table IV.4). MarylandOnline, Massachusetts Colleges Online, NJEDge.net (New Jersey's Higher Education Network), and Washington Online all collect dues but receive no appropriations.[9] The Connecticut Distance Learning Consortium, Minnesota Online, and UT TeleCampus (University of Texas) all receive both dues and appropriations. Kentucky Virtual Campus, which also receives appropriations, will add dues in the coming fiscal year. While Connecticut's dues income is minimal ($25,000), UT TeleCampus ($725,000) and Minnesota Online ($1.46 million) receive substantial dues support. Massachusetts Colleges Online received the next highest amount at $250,000.

Table IV.4: Income Derived from Membership Dues

	Single State/Province	Cross-Border
$0	24 (75.0%)	1 (14.3%)
Less than $500,000	6 (18.8%)	6 (85.7%)
$500,000 - $1,000,000	1 (3.1%)	0 (0.0%)
$1,000,001 - $3,000,000	1 (3.1%)	0 (0.0%)
More than $3,000,000	0 (0.0%)	0 (0.0%)

Kentucky Virtual Campus

In 1997 the Kentucky General Assembly passed House Bill 1, or the Kentucky Postsecondary Education Improvement Act, a comprehensive effort to increase college participation and success in the state. One of the initiatives that evolved from this legislation was the Kentucky Virtual University, which was designed to "enhance access to accredited learning opportunities."[7] The Kentucky Virtual University was a unit of the Council on Postsecondary Education, Kentucky's higher education coordinating authority.

In 2006 the Kentucky Virtual University became the Kentucky Virtual Campus (KYVC), a change approved by the Kentucky Council on Postsecondary Education. With this came a shift in philosophy from one that directed institutions to one that helps institutions do the job of educating students. In FY 2007, KYVC served 15,000 students (as calculated through unduplicated headcounts). While its guiding philosophy changed, KYVC's funding mechanisms have remained fairly consistent.

KYVC has a diverse funding model that generates revenue from a wide variety of sources, including state appropriations, revenue sharing, professional development services, a virtual library, grants, and in-kind services. Fortunately for KYVC, the state has provided consistent funding for the past eight years: it received $1.5 million in FY 2007 and the same amount in the two prior fiscal years. While the organization does not currently charge dues to its members, it will institute a per-user fee beginning in FY 2009.

While KYVC does not generally use a revenue-sharing model, it has a unique approach to professional development in collaboration with a state agency – the Education Professional Standards Board. They split revenue to reduce costs for both partners. Forty percent of the revenue goes to the teaching "institution" (the standards board) and 60 percent to KYVC.

In total KYVC's budget hovers around $5.5 million, with about $4 million of that going to the Kentucky Virtual Library. In meeting the information needs of a state that has entire counties without a library, the mission of the Kentucky Virtual Library is to provide all Kentuckians with equitable access to quality library and information resources and qualified, well-trained virtual library staff. The Kentucky Virtual Library accomplishes this mission through a collection of online services (e.g. web-based library databases) and in-person services (e.g. courier services delivering library materials to local drop-off points). In addition to public funding, the library receives fees from participating partner institutions (primarily those that are independent).

An adjunct component of KYVC's funding framework has been federal funding. In 2002 the Fund for the Improvement of Postsecondary Education awarded the Kentucky Virtual University and several partners $400,000 over four years to develop and pilot an electronic-advising service, the University Coordinated Advising Network, to serve Kentucky's postsecondary education learners and increase completion and retention rates.

The Kentucky Virtual Campus also receives revenues from the sale of services. One such service is PLATO (distance-learning educational software), which is provided under contract to Kentucky K-12 schools for supplemental education services and academic enrichment services; it also supports the Council on Postsecondary Education's federal GEAR UP program, which is focused on improving the skills of at-risk students, influencing their educational choices through enhanced guidance and support, and helping them prepare and plan for college.

KYVC is undergoing a fairly significant transformation, mostly related to internal changes to the funding model, which took effect in July 2008. KYVC will begin charging its member institutions for costs related to delivering online courses. The estimated costs for 2008-09 are $64 per enrolled user. KYVC will begin charging institutions $10 per user in 2008, with the intention of reducing the KYVC subsidy over the ensuing years.

Minnesota's dues are $5 per credit (see Table IV.5). Similarly, Kentucky's Virtual Campus plans to add a $10 charge per enrolled user (of course management system services) beginning in the next fiscal year. Both Minnesota and Kentucky consider these per student collections as dues income since the money is not collected directly from students. This practice will also be noted in the course fees section of this report.

A unique case is the National Universities Degree Consortium, a partnership of universities that serve a large number of distance students. Together, they operate a website to market their programs. All of their $10,000 in income is derived from dues.

Table IV.5: Annual Dues Cost Per Member

Collaboration	Dues Rates
Cross-Border	None reported their dues structure.
Single State/ Province	
Connecticut Distance Learning Consortium	$500 per institution (50 institutions).
Kentucky Virtual College	Will begin $10 charge per enrolled user (of course management system services) beginning next fiscal year.
MarylandOnline	$7,500 if online enrollments are 2,000 or fewer. $12,500 if online enrollments are 2,001 or more.
Massachusetts Colleges Online	$10,000 for fewer than 20 courses listed. $13,500 for greater than 20 courses listed.
Minnesota Online	$5 per student credit.
NJEDge.net	The dues are based on a formula derived by the Presidents' Council and range from $2,000 to $6,000.
UT TeleCampus	Current model (below) is based on the number of course sections offered. A new model is in development. 0: $11,446 — 1 to 5: $24,653 6 to 10: $33,281 — 11 to 15: $40,501 16 to 20: $44,550 — 21 to 25: $60,751 26 to 30: $65,000 — 31 to 35: $69,554 36 to 40: $74,423 — 41 to 45: $79,632 46 to 50: $85,206 — 51 to 55: $91,171 56 to 60: $97,553 — 61 to 65: $104,382 66 to 70: $109,601 — 71 to 75: $115,081
Washington Online	$6,500 per institution

D. Revenue Sharing and Per Course/Per Credit Fees

Revenue sharing and per course/per credit fees are two ways to ensure that the collaboration is earning revenue for every student served. As an economist might put it, marginal revenues are collected to cover marginal costs.

In revenue-sharing arrangements, the academic collaboration typically collects a percentage of the income generated from each enrollment. Alternatively, in per course/per credit fee arrangements, the academic collaboration collects a surcharge (usually a set amount) when the student enrolls. Depending on which option is used by the academic collaboration, students are charged a fee for each course in which they enroll or for each academic credit attempted.

Two-thirds of the academic collaborations surveyed do not participate in either revenue sharing or collecting per course/per credit fees (see Table IV.6). On the other hand, participating in one of these revenue models can be quite lucrative (see Table IV.7), as can be seen from the list below, for funds collected in FY 2007 through revenue sharing:

- Colorado Community Colleges Online collected $8.5 million. Unlike other academic collaborations, it is responsible for paying instructional costs, and much of what is collected goes to paying for faculty (see Table IV.8).
- Great Plains IDEA collected $1.4 million. Note that it is the only cross-border academic collaboration that uses this model, but it is earning substantial income.
- University College, University of Maine System, collected $700,000.

Table IV.6: Revenue Sharing and Per Course/Per Credit Fees

	Single State/Province	Cross-Border
Revenue Sharing	2 (6.3%)	1 (14.3%)
Course/Credit Fees	6 (18.8%)	2 (28.6%)
Both	2 (6.3%)	0 (0.0%)
Neither	22 (68.8%)	4 (57.1%)

- Of the other three collaborations relying on a revenue-sharing model, the highest amount collected was $35,000 by Kentucky Virtual Campus. It does not use revenue sharing with Kentucky's campuses; but revenue sharing is used as part of a contract for professional development courses delivered in partnership with a state agency.

For per course/per credit fees for FY 2007 (see Table IV.9):

- Michigan Virtual School collected $1.5 million.
- Washington Online collected $1.1 million.
- Wyoming Distance Education Consortium collected $600,000.
- South Dakota's Electronic University Consortium and University College, University of Maine System, each collected about $200,000.
- Of the four remaining collaborations, the highest amount collected was $30,000 by the Mississippi Institutions of Higher Learning.

Only University College, University of Maine System, and the Montana University System used both the revenue-sharing and the per course/per credit fee models.

Table IV.7: Income Derived from Revenue Sharing and Per Course/Per Credit Fees

	Single State/Province	Cross-Border
Revenue Sharing		
$0	28 (87.5%)	6 (85.7%)
$1 - $100,000	2 (6.3%)	0 (0.0%)
$100,001 - $1,000,000	1 (3.1%)	0 (0.0%)
More than $1,000,000	1 (3.1%)	1 (14.3%)
Course/Credit Fees		
$0	24 (75.0%)	5 (71.4%)
$1 - $100,000	3 (9.4%)	2 (28.6%)
$100,001 - $1,000,000	3 (9.4%)	0 (0.0%)
More than $1,000,000	2 (6.3%)	0 (0.0%)

Of note for per credit charges:

- Minnesota Online charges a $5 per credit cost but considers this to be dues, since students do not pay the cost directly.
- MarylandOnline collects $100 per credit, but the money is passed through to the institutions and is not used for central administration.
- Kentucky's Virtual Campus planned to add a $10 charge per enrolled user (of course management system services) beginning in July 2008.

Table IV.8: Distribution Models for Revenue Sharing

Academic Collaboration	Revenue Sharing Distribution: Teaching Institution	Revenue Sharing Distribution: Home Institution	Revenue Sharing Distribution: Academic Collaboration Central Administrative Unit	Explanation
Colorado Community College Online	73%	27%	73%	CCCOnline is both the teaching institution and the academic collaboration.
Great Plains IDEA	75%	12.5%	12.5%	The institution managing the partnership receives 70% of the 12.5% collected by the central administrative unit to run the alliance.
Kentucky Virtual Campus	40%		60%	This was a collaboration on professional development with a single partner (state agency), where revenue was split to reduce costs for both partners.
Montana University System	75%	12.5%	12.5%	
University College, University of Maine System	For Interactive Television (ITV), videoconference, and onsite courses at University College Centers, the teaching institutions are charged about $120 per **location** where a section is being offered, plus $30 per **student** sitting in a section. The University of Maine System is reconsidering replacing this with a different system, however.			

Table IV.9: Per Course/Per Credit Charging Models

Academic Collaboration	Charging Model Used
MarylandOnline	$100 per credit hour. This money comes to MarylandOnline, which in turn pays it right back to the providing institution.
Michigan Virtual School	$275-300 per course.
Mississippi Institutions of Higher Learning	Participating institutions assess a $10 per credit hour fee; $3 supports the MSecampus activities. Raised $30,000 for FY 07.
South Dakota Electronic University Consortium	$5.82/credit hour was directed to the central administrative unit.
University College, University of Maine System	Charges a "course support fee" of $7 per credit hour for all Interactive Television (ITV) and videoconference courses; also charges this fee for online courses for which students register on at the **host** campus. When it shifts to PeopleSoft next year, all students will register at their home campus, so it is looking at an across-the-board fee of $10 per credit for **all** modalities of distance courses (including onsite courses at UC centers). It would eliminate the separate technology fee of $6 per credit hour.
Utah Electronic Campus	$5 per credit.
Washington Online	$8/credit/enrollment for completely online courses. $2/head for hybrid or web-enhanced courses.
WISE – Web-based Information Science Education	$100 per course.

The income from per credit charges for Minnesota Online, Maryland Online, and the Kentucky Virtual Campus are not included in Table IV.7.

E. Fees for Services and Sales of Products

To add new services (e.g., professional development events, course design) that do not have other funding sources, academic collaborations often turn to fees for services as a way to fund new initiatives. New fee-based services often begin on a cost-recovery basis and are usually limited to collaboration members. Some academic collaborations have become more adept at creating services and products that generate extra revenue and are attractive to customers outside of their membership.

About two out of five academic collaborations surveyed obtained revenue by charging fees for services or selling products that they made (see Table IV.10). Of the three that generated the most income in FY 2007 from this source:

- The Connecticut Distance Learning Consortium earned $700,000 from fees for services and an additional $150,000 by selling or licensing a product.

Table IV.10: Income Derived from Fees for Services or Sales of Products

	Single State/Province	Cross-Border
$0	19 (59.4%)	5 (71.4%)
Less than $100,000	3 (9.4%)	1 (14.3%)
$100,000 - $200,000	4 (12.5%)	0 (0.0%)
$200,001 - $300,000	0 (0.0%)	0 (0.0%)
More than $300,000	3 (9.4%)	1 (14.3%)
Reported services but did not report income[10]	3 (9.4%)	–

- The Ohio Learning Network earned $500,000.
- The Jesuit Education Network earned $445,000.

BCcampus, NJEDge.net, and UT TeleCampus all earned about $100,000, and Campus Saskatchewan earned $30,000 (see Table IV.II for a list of services and products that generated income for collaborations). Please note that even though MarylandOnline founded Quality Matters, a service that assists institutions in gauging the quality of online courses, they did not include the income from that service in this survey.

Colorado Community Colleges Online

Colorado Community Colleges Online (CCCOnline) is a consortium of 13 member institutions in the Colorado Community College System, plus Dawson Community College of Montana, Northwest Missouri State University, and Pickens Tech of Denver. Students can earn associate's degrees in several disciplines, including agriculture business, business, building code enforcement, computer information systems, criminal justice, emergency management and planning, library technician, and occupational safety and heath. A variety of certificates are offered as well.

Unlike other academic collaborations, CCCOnline uses a centralized model. While most collaborations administer intermediary services and rely on institutions to provide the courses, CCCOnline provides all courses and content, acting as both the teaching institution and the academic collaboration's central administrative unit.

Serving over 17,000 students (as measured in unduplicated headcounts) and supporting 26,000 total enrollments, CCCOnline employs about 24 FTE in student services and administration and over 300 additional adjunct faculty. In 2006-07 CCCOnline generated 86,572 credits. Its scope has increased significantly in the last 10 years, from 274 course sections in the 1999-2000 academic year to 1,394 course sections in 2006-07.

Colorado's higher education funding model is unlike that of any other state in the nation. In 2004 the state adopted a higher education voucher-type system called the College Opportunity Fund (COF), in which state appropriations follow the student instead of going directly to the institution. Students receive a stipend to be applied toward a portion of their in-state tuition at Colorado's colleges and universities. Since students pay tuition to their home college, CCCOnline does not receive COF funds. Instead, CCCOnline relies on a revenue-sharing model in which students pay tuition to their home institutions. Of that tuition, 73 percent is paid to CCCOnline, and 27 percent is retained by the home institution. CCCOnline does not receive any state appropriations, yet it operates with a budget of more than $8 million. Importantly, this $8 million includes payment of all faculty salaries.

In CCCOnline's early days, some of the more traditional institutions viewed it as competition because it provided its own courses and offered a variety of degree and certificate programs. A strategy of collaboration has helped to change that perception. This cooperative spirit was partially sparked by legislation in 2004 that directed the Colorado Community College System to centralize the computer infrastructure, student information systems, and the "common utility infrastructure" for distance education for its 13 institutions. In response to the legislation, CCCOnline launched systemwide hosting of the Blackboard Vista learning-management system. The initiative was led by the Learning Technology Council (LTC), a group composed of representatives from CCCOnline and each community college, which oversaw the migration to the new platform and the redesign of over 2,000 courses. LTC's collaborative efforts helped to increase the trust between the institutions and CCCOnline by building relationships that continue today. Working together, LTC identifies what new services are needed and ways for CCCOnline to provide the services.

Despite having one primary revenue stream and no state appropriations, CCCOnline has developed into a sustainable, successful program.

Table IV.11: Sources of Fees for Services or Sales of Products

Academic Collaboration	Service/Product
BCcampus	Online course registration, help desk support for a government organization.
Campus Saskatchewan	Professional development.
Canadian Virtual University	Project coordination.
Connecticut Distance Learning Consortium	Learning management system hosting, instructional design, web application development, eTutoring, ePortfolio.
Florida Distance Learning Consortium	Learning management system hosting, charged at $1.70/FTE.[11]
Indiana Higher Education Telecommunication System (IHETS)	Technology services, such as video conferencing, web conferencing.
Jesuit Distance Education Network	Course design and production for new online degree and certificate programs.
Kentucky Virtual Campus	In-service teacher professional development.
Massachusetts Colleges Online	Contracted services with state agencies.
NJEDge.Net	Faculty development programs.
Ohio Learning Network	Statewide buy of Smarthinking and licensing of Blackboard and Atomic Learning, pays the vendor and is reimbursed by member.
University College, University of Maine System	Production department makes videos for state agencies, downlinks presentations that can then be shipped out to the various campuses. Also rents out polycom system for meetings.
University of Illinois Global Campus	Online tutoring ($500 per campus).[12]
UT TeleCampus	Course production, compliance module production, development of applications for system administration and the system as a whole.
Utah Education Network	Institutions were charged about one-fifth of licensing cost of Blackboard Vista. Institutions were charged $14/hour per site for facilitators for distance learning courses.
Utah Electronic Campus	Fees to cover bankcard charges.[13]

F. Grants

A decade ago, as distance learning, blended learning, and all forms of technology-mediated learning were becoming more widely used, there were a large number of sources for grant money to support research and development. As these tools have become more commonplace and foundations have increasingly focused on K-12 needs, grants are harder to obtain. Grants are often focused on developing new tools or services and can rarely be used for operations and infrastructure. Surprisingly, only three private foundation grant sources were identified by respondents.

Even with the difficulties in finding grants, more than one-quarter of the academic collaborations surveyed are current grant recipients (see Table IV.12). The largest grants are:

- BCcampus's $1 million from the government of British Columbia to administer calls for proposals for institutional collaboration focused on developing reusable courses, resources, and tools by British Columbia's postsecondary institutions.
- Ohio Learning Network's $522,000 from Lumina Foundation for Higher Education.

Table IV.12: Income Derived from Grants

	Single State/Province	Cross-Border
$0	24 (75.0%)	5 (71.4%)
Less than $500,000	6 (18.8%)	2 (28.6%)
$500,000 - $1,000,000	1 (3.1%)	0 (0.0%)
$1,000,001 - $3,000,000	1 (3.1%)	0 (0.0%)
More than $3,000,000	0 (0.0%)	0 (0.0%)

The following are foundation sources of grants reported by the respondents:

- Davis Foundation – supporting e-tutoring.
- Lumina Foundation for Education – supporting unreported purposes.
- Alfred P. Sloan Foundation – supporting development of WICHE ICE.

The following are government sources of grants reported by the respondents:

- Government of British Columbia – calls for proposals for institutional collaboration for online course and resource development.
- Connecticut State Department of Education.
- Illinois HECA Grant – implement peer mentors in courses with lower retention.
- Texas Higher Education Coordinating Board – course redesign.
- U.S. Department of Education (Fund for the Improvement of Postsecondary Education) – WICHE ICE development.
- U.S. Institute of Museum and Library Science – develop a statewide, shared video portal for homegrown, commercial, and lecture-on-demand videos for NJEDge.net. And WISE received funding for infrastructure and special projects.
- U.S. Title II grants – unreported purposes.
- U.S. Title III grants – strengthen online student services, faculty development, and library services for Iowa Community Colleges Online Consortium.
- Wyoming Community College Commission – competitive grants to state community colleges.

G. Donated or In-Kind Services

Collaborations frequently start with the efforts of a small group of dedicated people who are willing to donate their time and resources to meet a common set of goals. Once the effort is underway, donations demonstrate support, help organizations contain costs, and make efficient use of existing resources. The survey results show that donations were not a major source of income (see Table IV.13).

Of the academic collaborations surveyed, only 20 percent reported receiving any donated or in-kind services. The maximum amount of income reported was $100,000 by the

Table IV.13: Income Derived from Donated or In-Kind Services

	Single State/Province	Cross-Border
$0	26 (81.3%)	5 (71.4%)
Less than $100,000	4 (12.5%)	2 (28.6%)
$100,000 - $200,000	1 (3.1%)	0 (0.0%)
$200,001 - $300,000	0 (0.0%)	0 (0.0%)
More than $300,000	0 (0.0%)	0 (0.0%)
Unknown	1 (3.1%)	–

Arizona Universities Network for office space, administrative oversight, and general support. NJEDge.net received $75,000, and Massachusetts Online received $50,000.

A couple of organizations reported that all of their revenue was in-kind:

- R1.edu – A website that lists distance courses and programs for a partnership of Research 1 universities. According to Dave Szatmary, vice provost at the University of Washington, all of R1.edu's resources are donated: "The University of Washington sponsors and coordinates R1.edu. We have very little costs except for the time of a staff member who works on the program. On an annual basis, I probably devote 5 percent of my time and 3 percent of my staff to the project."
- Nevada System of Higher Education – A statewide catalog of courses was developed and is maintained by the Nevada System of Higher Education's Computing Services. Students register through each system campus, and all fees are paid to the campuses. There was no other revenue or expense. No estimate of the value of these efforts was offered.

In work done by WCET on the Technology Costing Methodology (a set of principles and procedures for measuring technology-mediated education costs), it was noted that institutions often do not have a handle on the scale of in-kind services involved in their operations.[14] Although the

The Connecticut Distance Learning Consortium

The Connecticut Distance Learning Consortium (CTDLC) supports online learning in Connecticut and beyond state borders. It assists Connecticut's colleges and universities by making it easier for them to offer online courses and degree programs, and it helps students by improving access to and quality of distance learning.

CTDLC was conceived in October 1996 and funded by the state in 1998, when the consortium received $200,000. In 2001-02 it received $2 million, most of which was pass-through funding for member institutions that offered programs or undertook activities that met legislative priorities. This influx of state dollars, however, did not last. During the economic downturn in the early part of this decade, state funding was reduced to approximately $500,000, creating some very uncertain times for the consortium. CTDLC eventually recovered, and in FY 2007, it received about $634,000 in general fund revenue, with an additional $350,000 generated through capital equipment bond dollars.

State appropriations tell only part of CTDLC's funding story. In FY 2007, the consortium received about $330,000 in grants. Dues from member institutions provided approximately $25,000. Services are another important revenue source for CTDLC. Generating about $700,000 annually, these services include:

- Learning management system hosting: a team supports the entire Blackboard family of products for 18 institutions that purchase this service.
- Instructional design: a design team guides faculty and local personnel through the process of converting material to an online format for the best possible learning experience.
- Technical support and development: CTDLC provides multimedia assistance with audio and video needs, from webcasting an event to converting analog materials to digital content.
- Negotiating statewide licenses: through contracts that leverage joint institutional resources and group purchasing power, members obtain equipment and software at competitive prices.
- Developing and marketing products: CTDLC has developed, marketed, and offered several products (such as ePortfolio and eTutoring). With a client list that extends beyond state borders, CTDLC generated approximately $150,000 in FY 2007 with these products.

While other academic consortia derive income only from offering and marketing services and products, CTDLC has expanded its thinking about revenue sources and relies on an entrepreneurial model. Armed with a healthy budget, several innovative revenue streams, and 22 full-time employees, CTDLC thinks of itself as an "e-learning services business."

Ed Klonoski, former president of CTDLC, recommends that consortia avoid tuition revenue streams and instead find an alternative strategy. "The best long-term decision I made was to create a business model for CTDLC," says Klonoski. "It resulted in sustainability and a long-term revenue stream."

CTDLC continues to extend its reach in new directions. Branching into the K-12 sector is its next move. In 2007 the Connecticut Legislature funded CTDLC to create the Connecticut Virtual Learning Center, which will assist school districts by centralizing course delivery and student data and accountability reporting, as well as by providing the technology and related support system infrastructure.

Nevada System of Higher Education completed the survey, other academic collaborations decided not to because there "were no costs" to offering their services. While these were mostly donated web services, there still is a cost. This response demonstrates a lack of understanding of the scope of costs to provide services.

The following items were identified as having been donated to the academic collaborations surveyed:

- Personnel time, staff, human resources, accounting, administrative oversight.
- Space.
- Equipment.
- Website hosting, programming.
- Professional development workshops.
- Internet/phone costs.
- In-kind services to support a grant.

H: Other Funding

In case the survey did not capture unanticipated or unique funding streams, the authors asked an additional question that probed for miscellaneous sources not previously identified (see Table IV.14). With only a few responses reported, the authors have more confidence that the categories surveyed cover the vast majority of income streams used by academic collaborations.

There were responses that reported "other" income that clearly fit into the fee-for-service category, and those responses were placed there. Two of three remaining sources of "other funding" could be called fees for services, but the classification was less clear. The Indiana Higher Education Telecommunication System (IHETS) reported revenue from Education Broadband Service license spectrum at $230,000. Oregon Community Colleges Distance Learning obtained income from an intergovernmental agreement with a state agency that provides services for the collaboration. In addition, the Utah Education Network received $8 million in reimbursement from the federal E-Rate program.

Table IV.14: Income Derived from Other Funding

	Single State/Province	Cross-Border
$0	29 (90.6%)	7 (100.0%)
Less than $100,000	0 (0.0%)	0 (0.0%)
$100,000 - $200,000	0 (0.0%)	0 (0.0%)
$200,001 - $300,000	1 (3.1%)	0 (0.0%)
More than $300,000	2 (6.3%)	0 (0.0%)

I: Overall Sources of Funding

Businesses often seek diversification in revenue streams to guard against too much dependence on a single source and to increase overall income. Slightly more than one-third of all those surveyed have developed three or more sources of funding (see Table IV.15). When broken down by type of academic collaboration, there are differences in diversification patterns:

- Single state/province: Slightly less than one-third (10 of 32) of these collaborations have three or more sources of funding. Three of those 10 collaborations do not receive appropriations.
- Cross-border: Four of the seven collaborations have three or more sources of funding. In analyzing this number, remember that none of them receive governmental appropriations.

Of those surveyed, 11 academic collaborations reported having only a single source of funding:

Table IV.15: Number of Funding Sources

Sources of Funding	Single State/Province	Cross-Border
1	9 (28.1%)	2 (28.6%)
2	13 (40.6%)	1 (14.3%)
3	7 (21.9%)	4 (57.1%)
4	2 (6.3%)	0 (0.0%)
5	1 (3.1%)	0 (0.0%)

- Dues (four): Committee on Institutional Cooperation, Illinois Community Colleges Online, Maryland Online, National Universities Degree Consortium.
- Appropriations (three): North Carolina Community College System, University of Illinois Global Campus, Virtual College of Texas.

WICHE ICE (Internet Course Exchange)

Since 1953 the Student Exchange Programs of the Western Interstate Commission for Higher Education (WICHE) have provided affordable education opportunities to students in the Western region. Currently, nearly 23,000 students benefit from these programs through increased access to undergraduate, graduate, and professional programs.

WICHE ICE allows students to enroll in select online courses at other member institutions as if that course were offered by their home institution. Institutions agree to accept specific courses offered via WICHE ICE before students enroll, eliminating admissions, registration, financial aid, and transfer hassles for students.

Institutions delivering courses via WICHE ICE can fill seats in courses with excess capacity and partner with other institutions to either develop or sustain courses in specialized fields. Member institutions agree on a set of policies and procedures that govern the course exchange, which makes the process seamless for students. As Maggi Murdock, associate vice president for academic affairs and dean of the outreach school at the University of Wyoming, pointed out, "Technology now provides the means for us to share expertise among institutions, in order to provide better learning opportunities for students in all institutions."

WICHE ICE grew out of the NEON (Northwest Educational Outreach Network) project, which was supported by the U.S. Department of Education's Fund for the Improvement of Postsecondary Education. WICHE ICE's funding model is different from most academic collaborations. It relies mainly on dues from member institutions, although in-kind support is provided by WICHE to help with start-up costs. In addition, WICHE ICE charges $20 per student per course, which can be paid by the institution or the student, depending on the arrangement. Recently, WICHE ICE was awarded a modest grant from the Sloan Foundation to plan for future development.

WICHE ICE serves its 14 members, which are regionally accredited institutions, state higher education system offices, or statewide online consortia groups. Still in an early stage of development, WICHE ICE aims to be serving 20,000 students within five years.

- Donated/in-kind services (two): Nevada System of Higher Education, R1.edu.
- Revenue sharing (one): Colorado Community Colleges Online.
- Per course/per credit fees (one): Mississippi Institutions of Higher Learning.

There is a dichotomy among the cross-border collaborations in the number of funding sources used. Some rely on a single source and others seek three or more sources. While Great Plains IDEA has two funding sources, one of them – dues – counts for less than 1 percent of its income. Four of the cross-border collaborations rely solely or primarily on one source of income; the remaining three have three or more funding sources. In the absence of governmental appropriations, these organizations have tended to focus their efforts on one funding source or seek a diverse set of income streams.

The Connecticut Distance Learning Consortium is the only survey respondent with five sources of funding. Both NJEDge.net and the University College, University of Maine, have four sources of funding, and NJEDge.net receives no appropriations.

In examining sources of funding, the authors questioned the freedom of academic collaborations to carry funds from one fiscal period to the next (e.g., year to year, biennium to biennium). The cross-border collaborations

Table IV.16: Ability to Carry Funds across Fiscal Periods

	Single State/Province	Cross-Border
No	6 (18.8%)	0 (0.0%)
Not applicable	3 (9.4%)	0 (0.0%)
Some funds	6 (18.8%)	1 (14.3%)
Yes	17 (53.1%)	6 (85.7%)

enjoy more freedom to retain money, while a few of the single state/province organizations are restricted in this ability (see Table IV.16).

J: Services Offered

A full examination of services offered by academic collaborations is beyond the scope of this research. Those surveyed were asked which services they offered, however, so as to provide some idea of the variety and number of services that were available.

A course listing or course catalog service was often cited as one of the main byproducts of newly created academic consortia. Not surprisingly, all but four (Committee on Institutional Cooperation, Michigan Virtual School, NJEDge.net, and WISE) reported offering this academic service (Table IV.17). Surprisingly, while there has been much discussion of learning-object repositories, less than one-third of the collaborations offer this service. One respondent noted that their repository is currently in the beginning stages, and another remarked that they will begin sharing courses in the coming year.

Other than marketing (offered by two-thirds of those surveyed), no student service is offered by

Table IV.17: Academic Services Offered by Academic Collaborations

	Service Is Offered or Coordinated by:				
Academic Services	**AC Central Admin.**	**Member Institutions**	**Partnership Admin. & Members**	**AC Contracts Third Party**	**Not Applicable/ Did Not Respond**
Joint online course listing or course catalog	21 (53.9%)	4 (10.3%)	9 (23.1%)	1 (2.6%)	4 (10.3%)
Interinstitutional sharing of courses	11 (28.2%)	8 (20.5%)	12 (30.8%)		8 (20.5%)
Interinstitutional sharing of degree or certificate programs	9 (23.1%)	8 (20.5%)	8 (20.5%)		14 (35.9%)
Faculty development	11 (28.2%)	0 (0.0%)	15 (38.5%)		13 (33.3%)
Operate learning	9 (23.1%)	0 (0.0%)	3 (7.7%)		27 (69.2%)

Table IV.18: Student Services Offered by Academic Collaborations

	Service Is Offered or Coordinated by:				
Student Services	**AC Central Admin.**	**Member Institutions**	**Partnership Admin. & Members**	**AC Contracts Third Party**	**Not Applicable/ Did Not Respond**
Student readiness for e-learning	7 (17.9%)	2 (5.1%)	5 (12.8%)		23 (59.0%) / 2 (5.1%)
Admissions	4 (10.3%)	4 (10.3%)	3 (7.7%)		25 (64.1%) / 3 (7.7%)
Registration	5 (12.8%)	3 (7.7%)	6 (15.4%)		22 (56.4%) / 3 (7.7%)
Call center (nontechnical)	14 (35.9%)	2 (5.1%)	0 (0.0%)	2 (5.1%)	18 (46.2%) / 3 (7.7%)
Technical support	3 (7.7%)	2 (5.1%)	8 (20.5%)	4 (10.3%)	2 (5.1%) / 20 (51.3%)
Tutoring	4 (10.3%)	5 (12.8%)	3 (7.7%)	4 (10.3%)	20 (51.3%) / 3 (7.7%)
Marketing	13 (33.3%)	3 (7.7%)	8 (20.5%)		13 (33.3%) / 2 (5.1%)

more than half of the academic collaborations (Table IV.18), and that may be because many student services remain the province of the member institutions. Kentucky Virtual Campus noted that it dropped its central admissions and registration on June 30, 2008. After marketing, the next most popular student service is the nontechnical call center, with just under half of the academic collaborations offering this service. The least offered student service is admissions.

The most popular technology service is the exploration and researching of emerging technologies, with more than half of the academic collaborations offering that service (Table IV.19). Testing new technologies and learning from those experiments are logical services to be provided and coordinated among member institutions.

For planning and administrative services, nearly all of the academic collaborations are engaged

Table IV.19: Technology Services Offered by Academic Collaborations

	Service Is Offered or Coordinated by:				
Technology Services	**AC Central Admin.**	**Member Institutions**	**Partnership Admin. & Members**	**AC Contracts Third Party**	**Not Applicable/ Did Not Respond**
Centralized technology infrastructure	17 (43.6%)	1 (2.6%)	1 (2.6%)	1 (2.6%)	17 (43.6%) / 2 (5.1%)
Centralized exploring/ researching of emerging technologies	11 (28.2%)		11 (28.2%)		15 (38.5%) / 2 (5.1%)
Centralized technical support	12 (30.8%)	1 (2.6%)	1 (2.6%)	3 (7.7%)	20 (51.3%) / 2 (5.1%)

Table IV.20: Planning and Administration Services Offered by Academic Collaborations

	Service Is Offered or Coordinated by:				
Planning and Administration Services	**AC Central Admin.**	**Member Institutions**	**Partnership Admin. & Members**	**AC Contracts Third Party**	**Not Applicable/ Did Not Respond**
Data gathering on enrollments and courses	20 (51.3%)	3 (7.7%)	10 (25.6%)		5 (12.8%) / 1 (2.6%)
Lobbying state/ provincial governments and advocacy	15 (38.5%)		6 (15.4%)		17 (43.6%) / 1 (2.6%)
Grant writing for external funds	10 (25.6%)	3 (7.7%)	9 (23.1%)		16 (41.0%) / 1 (2.6%)
Operating a grant process for funds appropriated by the state or province	7 (17.9%)	1 (2.6%)	4 (10.3%)		24 (61.5%) / 3 (7.7%)
Brokering interinstitutional partnerships to meet institutional needs	16 (41.0%)	5 (12.8%)	8 (20.5%)		9 (23.1%) / 1 (2.6%)
Canvassing business, government, and public needs and brokering solutions developed by member institutions	10 (25.6%)	1 (2.6%)	8 (20.5%)	1 (2.6%)	18 (46.2%) / 1 (2.6%)

in gathering data on the activities of the collaboration and its members (Table IV.20). Only about half are involved in canvassing the needs of potential constituents and working with their institutions to broker services to meet those needs. About a third (12 out of 32) of the state/province collaborations operate or coordinate grant processes of appropriated funds. Typically, these grants are ways for the state/provincial government to give incentives for activities they wish the institutions to undertake or to coordinate research on innovations.

K: Additional Clarifications

The authors understood the complexity of asking questions with standard options to organizations that have a variety of missions, offer diverse services, and are funded in different ways. An open-ended question invited respondents to provide any clarifications that would be helpful in analyzing their responses (Table IV.21). To preserve the context, some responses to this question were moved into the appropriate section addressed by the comment.

Section V. Policy Implications

The survey uncovered the funding sources and the combinations of those sources used by academic collaborations in the United States and Canada. Academic collaboration leaders were interested in this information so that they could learn from each other and identify ways to improve their own operations.

The following policy implications arise from observations based upon the survey responses. While the survey focused on financial issues, it is not always the financial model that is the final determinant of success or failure. Where other forces have influence, they will be noted.

1. **There is no one best financial model**. This is not a surprising finding but needs to be stated. The models uncovered through this survey process are very diverse. As will be discussed more thoroughly below, financial models with vastly differing philosophies are equally successful in meeting the financial needs of different organizations. A key factor for success is the ability to find the funding mix that will fit each unique situation.

Table IV.21: Open-ended Comments on Financing Options

Academic Collaboration	Comment
BCcampus	BCcampus operates as an online gateway service across British Columbia's public postsecondary institutions. Our clients include students, educators, and institutions. Our work includes the operation of an online application service linked to all public postsecondary institutions.
Michigan Virtual School	We are not a academic collaborative but a statewide virtual school that provides courses, test preparation, and professional development to local districts in Michigan.
Mississippi Institutions of Higher Learning	Primarily targeted towards nontraditional students, the MSeCampus is currently a resource for students to electronically search for courses or programs offered through the states academic outreach, distance, and continuing education units in a manner that is independent of university or mode of delivery.
National Universities Degree Consortium	NUDC has no central administration – all value comes from joint efforts by representatives from the member institutions. Primary focus is on joint marketing.
North Dakota University System Online	The individual members maintain autonomy from one another even as members of a system. The funding for much of the distance delivery for each institution comes from student fees assessed on each campus.
Oregon Community Colleges Distance Learning	The central unit supports systems that handle back-end registrations (from schools), track enrollment, and manage grades. We administer joint licensing agreements, support quarterly meeting attendance for members, and host special events as needed by the group. The funding is not appropriated directly from the legislature to us but is allocated in a community college agency budget and is then contracted to us for services each biennium. Additional funding for projects may be added to the agreement or to individual institutions interested in leading projects for the state group. These proposals are developed collaboratively.
WICHE Internet Course Exchange (ICE)	WICHE ICE is a new enterprise, and much of our focus over the past year has been on developing policies and procedures. We are currently recruiting more members and partners. Membership funds and income from a $20 per course/per student charge support WICHE's central administrative role.

2. **Evolve or Dissolve**. In some cases the financial models appear to be based upon whatever model was in place when the academic collaboration started a decade or more ago. Meanwhile, other academic collaborations have been quite aggressive in identifying the changing needs of both member institutions and student populations. In a dynamic world, an organization needs to reexamine its services and funding sources. Based upon this reexamination, the organization creates new services to meet those needs generating new funding sources. In conversations that resulted from this survey, it became clear that some academic collaborations operate quite differently now than when they began. Those that have evolved their services and funding models to meet the ever-changing needs of their clientele appear to have been more successful than those that have not.

3. **Diversify or focus**. In listening to any financial advisor, phrases such as "diversify your portfolio" and "balance your portfolio" will, almost certainly, be mentioned. Diversity in funding streams allows an academic collaboration to maximize its revenue by exploiting the different markets available to it. Diversity also guards against overdependence on any one source. If one funding stream dries up, others can be tapped and enhanced. In conversations with some of the struggling or defunct academic collaborations, we found that sources of funding had a big impact. Several of them relied on appropriations or contributed sources. When those funds were reduced, the organization ceased to exist (GeorgiaGlobe) or operations were reduced (California Virtual University/California Virtual Campus).

   On the other hand, two of the collaborations with budgets over $1 million relied solely or primarily on a single funding source. Both Colorado Community Colleges Online and Great Plains IDEA are engaged in revenue-sharing agreements. While this is a difficult model for a beginning collaboration, they have shown that it can become a sustainable model. They have focused their missions and efforts on maximizing the revenue from this one source of income.

4. **Few and fewer funding choices**. While diversification may be a goal for some academic collaborations, the choices of funding sources are few and some are becoming less viable:

   - Appropriations are the bedrock for more than half of the single state/province academic collaborations. Except for a few newer collaborations (e.g., BCcampus and North Carolina Community College System), there has not been much growth in this source.
   - Dues are used by all of the cross-border academic collaborations. While they are also used by eight state/province academic collaborations, only two of those organizations generate more then $500,000 from this source.
   - Revenue sharing or per course/per credit fees are not used by two-thirds of those surveyed but are the source of substantial income for a few collaborations. A few other collaborations indicated they will or are considering adding this category.
   - Sales and services of products is a major source of income for three academic collaborations and appears to be a growing source for others.
   - Grants, once a major factor in funding academic collaborations, are now used by only slightly more than one-quarter of the respondents.
   - Donated or in-kind services account for more than $100,000 of value for only one respondent, but it appears that many respondents undervalued this source.
   - The few responses to a question about "other funding" sources implied that the vast majority of income streams were identified in other survey questions..

5. **Donated is not free**. From those who responded (and from a few organizations with whom the authors spoke but did not complete the survey), it appears that there is often not a clear accounting for services that are donated. If an academic collaboration relies heavily on donations, this is a fiscal liability that needs to be tracked. Should the donation end, what is the monetary value

of the service that needs to be replaced? Some smaller academic collaborations rely on donated services and have trouble sustaining their efforts after the initial excitement of starting the service turns into the drudgery of daily maintenance.

6. **Beware of the politics**. State/provincial academic collaboration leaders need to follow the broader political landscape and position their organization accordingly. Centralized coordinating organizations do not have football, basketball, or hockey teams to capture the imagination of constituents and legislatures. The Indiana Higher Education Telecommunication System (IHETS) is a cautionary tale. Political forces have sliced away at IHETS funding and distributed some (previously centralized) activities, despite the lack of evidence that a decentralized model improves services. Decisions are sometimes based on acquiring assets and not on what best serves students.

7. **Fasten your seat belts, it's going to be a bumpy economic ride**. For those academic collaborations that receive state or provincial appropriations, there may be some cuts coming. While the current bleak economic news may have made this obvious, the survey results raised additional red flags about the economic status of state or provincial collaborations. As previously noted, the National Association of State Budget Officers reported increases of about 6 to 9 percent in higher education spending between 2005 and 2007. Meanwhile, more than half of those surveyed reported their appropriated income either falling of staying the same. If these organizations did not prosper in good economic times, what is going to happen as the result of an economic downturn? Two respondents from Canada, where the economy has tended to be more robust, had (relatively) stable funding, while one enjoyed $1 million growth in appropriated income. On the other hand, the strength of collaboration is in gaining efficiencies through partnerships. What better time than an economic downturn for academic collaborations to leverage strength through cooperation?

Endnotes

[1] Rhonda M. Epper and Myk Garn, *Virtual Colleges & University Consortia: A National Study* (Denver, CO: State Higher Education Executive Officers, August 2003), 5.

[2] I. Elaine Allen and Jeff Seaman, *Online Nation: Five Years of Growth in Online Learning* (Needham, MA: The Sloan Corporation, October 2007), 1.

[3] Distance Learning Policy Laboratory Finance Subcommittee, *Using Finance Policy to Reduce Barriers to Distance Learning* (Atlanta: Southern Regional Education Board, 2002), 3.

[4] James R. Mingle, *Organizational and Financing Models for Electronic Consortia: A Review Prepared for the NEON Project of the Western Interstate Commission for Higher Education* (Boulder, CO: WICHE, September 2003), 1.

[5] Russell Poulin, *Financing Models for the NEXus Course Exchange: Options for Sustaining Institutions and Sustaining NEXus* (Boulder, CO: WCET, February 2006).

[6] Karen Paulson, Patricia A. Shea, and Kate M. Carey, *Results from a Virtual College and University Survey* (Boulder, CO: National Center for Higher Education Management Systems, July 2006).

[7] Kentucky Council on Postsecondary Education, *Supporting Kentucky's eLearning Ecosystem: Strategic Plan of the Kentucky Virtual University, 2006-2009* (Frankfort, KY: Kentucky Council on Postsecondary Education, September 2006), 9.

[8] National Association of State Budget Officers, "Fiscal Year 2006 State Expenditure Report" (Fall 2007), accessed on 1 April 2007 at <http://www.nasbo.org/Publications/PDFs/fy2006er.pdf>.

[9] Note that references to MarylandOnline include funding sources for that organization. The respondent chose not to report any funding for Quality Matters, which was founded by MarylandOnline.

[10] The Florida Distance Learning Consortium, Illinois Global Campus, and Utah Electronic Campus all reported services for which they charge but did not report any income for those services.

[11] Florida Distance Learning Consortium did not report any income for this service.

[12] Illinois Global Campus did not report any income for this service.

[13] Utah Electronic Campus did not report any income for this service.

[14] Dennis Jones, *Technology Costing Methodology Handbook*, version 2.0 (Boulder, CO: WCET, 2004), accessed on 1 April 2007 at <http://wcet.info/2.0/index.php?q=TCM+Handbook>.

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Glossary of Terms

Academic collaboration – A coordinating organization that facilitates the offering of credit-bearing distance-learning courses, programs, or services. It may be intrastate or interstate consortia. An academic collaboration fosters interinstitutional partnerships that share resources to increase the institutional capacity for, sharing of, and access to technology-mediated courses and programs.

Academic collaboration central administrative unit – The coordinating, managerial body of an academic collaboration.

Income or revenue – Used interchangeably, these terms refer to monetary payment received for goods or services, or from other sources that support the academic collaboration.

Revenue sharing – For a course in which students from partner institutions register, this term refers to agreements that outline how tuition and fee revenue is dispersed between teaching institutions, home institutions, and the academic collaboration.

Teaching institution – The institution that provides the instruction or service.

Home institution – The institution to which the student is admitted and from which the student hopes to earn a certificate or degree. In many, but not all cases, the home institution is also the one in which the student registers for the course.

About the Authors

Demarée K. Michelau is the director of policy analysis at the Western Interstate Commission for Higher Education (WICHE). The author of numerous education reports and magazine articles, she has experience in higher education policy on issues such as adult learners, college affordability and access, accelerated learning options, K-16 reform, and postsecondary remedial education. Previously, she worked for the National Conference of State Legislatures as a policy specialist. Michelau received her bachelor's degree in public law from Northern Illinois University and her master's degree in political science from the University of Colorado at Boulder, where she is currently a Ph.D. candidate.

Russell Poulin is the associate director of WCET (www.wcet.info), whose mission is to leverage technology to improve instruction and student learning and to increase access to quality higher education. Based in Boulder, CO, WCET has members in 46 states and 8 countries. Poulin organizes the information-sharing activities among WCET's members and directs EduTools.info, which provides independent reviews of educational software and courses. He consults on distance education planning projects and serves on the editorial board of Innovate. For WCET Poulin has codirected projects on interstate program sharing and technology costing. Previously, he coordinated distance education activities for the North Dakota University System. Poulin earned his bachelor's degree in mathematics and economics from the University of Colorado at Denver and a master's in statistics and research methodology from the University of Northern Colorado.

Appendix A. Survey Instrument

Please complete the survey that follows. You may consult with others in your Academic Collaboration to complete the survey as accurately as possible; **each Academic Collaboration should submit only one completed survey**.

The survey has 24 questions (including those asked in a demographic section). We anticipate that the survey should take approximately 20 minutes to complete.

No personal or institutional identification data will be reported or shared with another individual, group, or agency other than WICHE, WCET, or Institute for Academic Alliances staff without permission.

If you begin the survey and need to finish it at a later time, simply close your web browser. When you are ready to finish the survey, click on the survey link and select "Resume" to return to where you left off in the survey.

Academic Collaborations take so many forms that creating a survey using standard definitions and questions is very difficult. Whenever possible, choose the options that are closest to fitting your case. We have also provided several opportunities to provide clarifications about your local situation, and question 18 affords you the opportunity to make any additional comments.

Important note to Canadian respondents: Please answer in Canadian dollars for all questions requesting monetary amounts. You will not need to indicate that the dollars are Canadian in your response; we will know from the response to the final question regarding demographic information.

Please complete and submit the survey online by **December 20, 2007**.

Questions may be addressed to:

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Thank you for your assistance with this important project.

Terms

For purposes of this survey, the following definitions apply:

Academic Collaboration: An Academic Collaboration is a coordinating organization that facilitates the offering of credit-bearing distance learning courses, programs, or services; they may be intrastate or interstate consortia. An Academic Collaboration fosters interinstitutional partnerships that share resources to increase institutional capacity for, sharing of, and access to technology-mediated courses and programs.

Examples include:

- Statewide or province service agencies: Ohio Learning Network, eCampusAlberta, Kentucky Virtual Campus.
- System-wide service agencies: University of Texas TeleCampus, Colorado Community Colleges Online
- Interstate collaborations: Great Plains IDEA, JesuitNet, WICHE ICE (Internet Course Exchange).
- Discipline-specific collaborations: NEXUS (Nursing Education Xchange), North Carolina Gerontology Consortium.

Academic Collaboration Central Administrative Unit: The coordinating, managerial body of an Academic Collaboration.

Income or Revenue: Used interchangeably, these terms refer to monetary payment received for goods or services, or from other sources that support the Academic Collaboration.

Revenue Sharing: For a course in which students from partner institutions register, this term refers to agreements that outline how tuition and fee revenue is dispersed between teaching institutions, home institutions, and the Academic Collaboration.

Teaching Institution: This term refers to the institution that provides the instruction or service.

Home Institution: This term refers to the institution to which the student is admitted and from which the student hopes to earn a certificate or degree. In many, but not all cases, the home institution is also the one in which the student registers for the course.

1. For the 2007 fiscal year, what were the income sources for your Academic Collaboration? For each source, indicate the AMOUNT of your overall funding derived from that source. We are asking for your best guess, not full accounting. For each of these categories you will be asked for more details in subsequent questions. In a culminating question (Q18), you will have the opportunity to provide additional information of interest or comments that clarify any responses that don't exactly fit in the survey format. Omit commas and $ signs.

***Note*: If you are a Canadian organization, please answer in Canadian dollars for all questions requesting monetary amounts.**

a. State/provincial appropriations (not grants) _____

b. Federal appropriations (not grants) _____

c. Dues from member institutions/schools/ organizations _____

d. Revenue sharing for students registering for courses that are part of your Academic Collaboration _____

e. Per-course or per credit fees for students registering for courses that are part of your Academic Collaboration _____

f. Fees for services (e.g., seminar registrations, contracted instructional design, contracted multimedia design and/or development, charges for hosting courses on central services, etc.) _____

g. Sales or licensing of products developed and/or marketed by your Academic Collaboration (e.g., Connecticut Distance Learning Consortium's etutoring, efolio Minnesota, etc.) _____

h. Grants _____

i. Donated or in-kind services (e.g., staff not charged to the AC, office space, server space, etc.) _____

j. Other funding
Please list each source included in other funding. _____

2. If you receive state/provincial appropriations (Q1a), please list the amounts received for the previous two fiscal years.

***Note*: If you are a Canadian organization, please answer in Canadian dollars for all questions requesting monetary amounts.**

☐ 2006 _____

☐ 2005 _____

3. If you receive federal appropriations (Q1b), please list the amounts received for the previous two fiscal years.

☐ 2006 _____

☐ 2005 _____

4. For the 2007 fiscal year, if you charge dues (Q1c) to your member institutions/schools/organizations, what is the annual cost of those dues per member? Please provide a dues chart if there is more than one rate.

_____

_____

_____

_____

_____

_____

For Questions 5 through 8, please note that Academic Collaborations often receive revenue from courses offered as part of their collaboration. These questions ask about two models for obtaining and dispersing this income:

"Revenue Sharing" – where the income from tuition and fees is dispersed between the Teaching Institution, the Home Institution, and Academic Collaboration central administrative unit.

"Course Fees" – Where a per credit or per course fee is charged and the income from this fee supports the activities of the Academic Collaboration central administrative unit.

5. Did your Academic Collaboration central administrative unit receive income from revenue sharing (Q1d) of tuition and fees during the last complete fiscal year?

☐ Yes
☐ No

6. Please provide the PERCENTAGE of revenue distributed to each category from revenue sharing of tuition and fees from the last complete fiscal year:

Teaching Institution _____

Home Institution _____

Academic Collaboration Central Administrative Unit _____

Other (if applicable)
If other, please explain. _____

_____

_____

7. Did your Academic Collaboration charge a per credit or per course fee (Q1e) for students registering for courses that are part of your Academic Collaboration during the last complete fiscal year?

☐ Yes
☐ No

8. Please list the per credit or per course amount that the Academic Collaboration central administrative unit received from these fees.

Please indicate if the amount is per credit or per course.

_____

_____

_____

9. **For the 2007 fiscal year, if you received fees for services (Q1f), please describe the services you provided and the typical charge for providing those services.**

_____

_____

_____

10. **For the 2007 fiscal year, if you received income from products (Q1g) that are developed, licensed, and/or marketed by your Academic Collaboration, please describe each product that you offer and the typical charge for licensing or purchasing that product.**

_____

_____

_____

11. **If you obtained income from a grant (Q1h), please identify the source of the grant and the amount of any grants that your Academic Collaboration has received in the last three years:**

_____

_____

_____

12. **For the 2007 fiscal year, please explain what services were donated (Q1i) and the source(s) of the donation.**

_____

_____

_____

13. **Is your Academic Collaboration allowed to carry funds over from one official appropriations or fiscal period to the next (examples: fiscal year to fiscal year, or biennium to biennium)?**

☐ Yes
☐ No
☐ Some Funds
☐ Not Applicable

Additional comments:

_____

_____

_____

Academic Collaborations vary greatly in the services that they arrange for its members. For each of the following services, please indicate who offers or coordinates the offering of each service. While not all of the Academic Collaboration's institutions may avail themselves of each service, this question focuses on what services are offered and by whom. Use the following categories for each service:

1. **Offered or coordinated by the Academic Collaboration's central administrative unit**
2. **Offered or coordinated by a member institution(s) for the benefit of other member institutions**
3. **Offered or coordinated by a partnership of the Academic Collaboration's central administrative unit and a member institution(s)**
4. **Academic Collaboration contracts with a third party to offer the service**

If the service is not offered through the Academic Collaboration or is offered solely by each institution, click not applicable.

14. Please check the one option that best applies for Academic Services.

	Offered or coordinated by the Academic Collaboration central administrative unit	Offered or coordinated by a member institution(s) for the benefit of other member institutions	Offered or coordinated by a partnership of the Academic Collaboration central administrative unit and a member institution(s)	Academic Collaboration contracts with a third party to offer the service	Not Applicable
Joint online course listing or course catalog	☐	☐	☐	☐	☐
Interinstitutional sharing of courses	☐	☐	☐	☐	☐
Interinstitutional sharing of degree or certificate programs	☐	☐	☐	☐	☐
Faculty development	☐	☐	☐	☐	☐
Operate learning object repository	☐	☐	☐	☐	☐

15. Please check the one option that best applies for Student Services.

	Offered or coordinated by the Academic Collaboration central administrative unit	Offered or coordinated by a member institution(s) for the benefit of other member institutions	Offered or coordinated by a partnership of the Academic Collaboration central administrative unit and a member institution(s)	Academic Collaboration contracts with a third party to offer the service	Not Applicable
Student readiness for e-learning	☐	☐	☐	☐	☐
Admissions	☐	☐	☐	☐	☐
Registration	☐	☐	☐	☐	☐
Call Center (Non-technical)	☐	☐	☐	☐	☐
Academic Advising	☐	☐	☐	☐	☐
Tutoring	☐	☐	☐	☐	☐
Marketing	☐	☐	☐	☐	☐

16. Please check the one option that best applies for Technology Services.

	Offered or coordinated by the Academic Collaboration central administrative unit	Offered or coordinated by a member institution(s) for the benefit of other member institutions	Offered or coordinated by a partnership of the Academic Collaboration central administrative unit and a member institution(s)	Academic Collaboration contracts with a third party to offer the service	Not Applicable
Centralized technology infrastructure (e.g., central hosting of courses, operate high speed network, operate video network, central hosting of software)	☐	☐	☐	☐	☐
Centralized exploring/ researching of emerging technologies	☐	☐	☐	☐	☐
Centralized technical support	☐	☐	☐	☐	☐

17. Please check the one option that best applies for Planning and Administration.

	Offered or coordinated by the Academic Collaboration central administrative unit	Offered or coordinated by a member institution(s) for the benefit of other member institutions	Offered or coordinated by a partnership of the Academic Collaboration central administrative unit and a member institution(s)	Academic Collaboration contracts with a third party to offer the service	Not Applicable
Data gathering on enrollments and courses	☐	☐	☐	☐	☐
Lobbying and advocacy to state/provincial governments	☐	☐	☐	☐	☐
Grant writing for external funds	☐	☐	☐	☐	☐
Operate a grant process for funds appropriated by the state or province	☐	☐	☐	☐	☐
Brokering interinstitutional partnerships to meet institutional needs	☐	☐	☐	☐	☐
Canvassing business, government, and public needs and brokering solutions developed by member institutions	☐	☐	☐	☐	☐

18. Please describe any other sources of funding that you did not have a chance to share above, any additional information of interest, or comments that clarify any responses that don't exactly fit in the survey format.

_____

_____

_____

Demographic Information

19. How many higher education institutional partners enrolled students or taught courses in your Academic Collaboration during the 2007 fiscal year? Please check one.

☐ 1 – 5 institutions
☐ 6 – 10 institutions
☐ 11 – 20 institutions
☐ 21 – 30 institutions
☐ 31 – 50 institutions
☐ More than 50 institutions

20. For the 2007 fiscal year. How large is the staff employed in your Academic Collaboration central administrative unit? Please check one.

- ☐ 1 – 5 full-time equivalent people
- ☐ 6 – 10 full-time equivalent people
- ☐ 11 – 20 full-time equivalent people
- ☐ More than 20 full-time equivalent people
- ☐ Other (please specify)
  If you selected other, please specify:

_____

_____

_____

21. For the 2007 fiscal year, what is the annual budget of your Academic Collaboration central administrative unit? Please check one.

- ☐ Less than $500,000
- ☐ $500,000 to $1 million
- ☐ Just above $1 million to $3 million
- ☐ Just above $3 million to $5 million
- ☐ Just above $5 million to $8 million
- ☐ More than $8 million

22. For the 2007 fiscal year, how many students did you serve?

Respond only to those student counts for which you already have information.

Unduplicated Headcounts _____

Total Enrollments _____

User Counts _____

Credits Generated _____

For "credits generated," please indicate if counts are based on a quarter, trimester or semester. _____

23. Please select the option that best describes the governance structure that oversees your Academic Collaboration.

- ☐ Part of a state or provincial governing or coordinating board
- ☐ Independent government agency
- ☐ Independent non-profit agency
- ☐ Independent for-profit agency
- ☐ Other (please specify)

If you selected other, please specify: _____

_____

24. Your Information:

Name: _____

Title: _____

Organization/Collaboration: _____

Telephone #: _____

E-mail Address: _____

Collaboration Website: _____

Thank you for your time in completing this survey. The final report will include the results of this survey plus the results of one-on-one interviews with a few selected Academic Collaborations. Our goal is to complete the report by early April. You will receive a copy of the report and it will be made public later this spring.

WCET (www.wcet.info) is creating a Common Interest Group of Academic Collaborations and plans to do more analysis of and sharing about these organizations in the future.

Thank you. We hope that you find the results useful for your own needs.

Demaree Michelau (dmichelau@wiche.edu)
Russell Poulin (rpoulin@wcet.info)

Appendix B. Emails Sent to Potential Respondents

First Email (Friday, December 7, 2007)

Dear Colleague,

WCET's Academic Collaboration Common Interest Group (CIG), the Western Interstate Commission for Higher Education (WICHE), and the Institute for Academic Alliances (IAA) have partnered to examine the funding mechanisms associated with academic collaborations, and we seek your assistance.

What is an Academic Collaboration?
For purposes of this effort, an "academic collaboration" is a coordinating organization that facilitates the offering of credit-bearing distance learning courses, programs, or services; they may be in-state or interstate consortia. An academic collaboration fosters interinstitutional partnerships that share resources to increase institutional capacity for, sharing of, and access to technology-mediated courses and programs.

Survey
We ask you to complete a short online survey in which we collect information about your organization. It is 24 questions and should take only 20-30 minutes to complete. The survey can be accessed at:

http://vovici.com/wsb.dll/s/20eag2f285

If you are not the person to whom this survey should be directed, please forward it to the appropriate individual within your academic collaboration; each **Academic Collaboration should submit only one completed survey**.

Please complete and return the survey by Thursday, December 20, 2007. Questions may be addressed to:

Demarée K. Michelau
Senior Policy Analyst and Director of Special Projects
WICHE
303.541.0223
dmichelau@wiche.edu

- or -

Russell Poulin
Associate Director
WCET
303.541.0305
rpoulin@wcet.info

Results
After the data are collected and analyzed, WCET, WICHE, and IAA will publish a final policy brief designed to inform education, policy, and research communities about how academic collaborations are funded. Survey respondents will be notified when and where the final report is published on the WCET web site, WICHE web site, and the Institute for Academic Alliances/WCET Higher Education Collaboration web site.

The Partnering Organizations
WCET's Academic Collaboration CIG is a service of WCET aimed at informing, supporting, and enabling technology-enabled collaboration between higher education institutions, agencies, and entities (for more information about WCET, please visit www.wcet.info). WICHE is a regional organization created to assure access and excellence in higher education for all citizens of the West and to facilitate resource sharing among the higher education institutions, systems, and states (for more information about WICHE, please visit www.wiche.edu). IAA facilitates inter-institutional academic programs. It specializes in program and

partner identification; high-quality inter-institutional program development; program implementation and sustainability; administrative support systems; legal agreements; and policies and procedures (for more information, please visit www.k-state.edu/iaa/index.html).

Thank you for your assistance with this important project.

Megan Raymond

Second Email (January 4, 2008)

[INSERT NAME] -

[INSERT ACADEMIC COLLABORATION NAME] is invited to participate in a survey. I know, yet another survey and it's a busy time. Please consider participating. It's a short survey, and the deadline is **January 14th**. I hope that you can assist in directing this survey to the correct person.

Who?
The survey is targeting organizations that support institutions in offering distance learning courses, programs, or services. Examples of these types of organizations are many and varied in the services that they offer:

- Statewide or province-wide service agencies: Ohio Learning Network, eCampusAlberta, Kentucky Virtual Campus.
- System-wide service agencies: University of Texas TeleCampus, Colorado Community Colleges Online.
- Interstate collaborations: Great Plains IDEA, JesuitNet, WICHE ICE (Internet Course Exchange).
- Discipline-specific collaborations: NEXUS (Nursing Education Xchange), North Carolina Gerontology Consortium.

For our purposes, we're calling these organizations "academic collaborations."

What?
This survey focuses on one very specific question: **How are these organizations funded?**

Funding usually comes from state appropriations, dues, student fees, sales of services, grants, and other creative sources. I frequently get questions from someone trying to seek new funding sources or to achieve balance between the sources. We can all learn from funding models used in similar settings.

How?
The online survey includes 24 questions and should take only 20-30 minutes to complete. The survey can be accessed at: http://vovici.com/wsb.dll/s/20eag2f285

If you are not the person to whom this survey should be directed, please forward it to the appropriate individual within your organization. Note: In completing the survey, exact amounts are not required; use reasonable estimates that are easy for you to obtain.

When?
Please complete the survey by **Monday, January 14, 2008**. Questions may be addressed to:

Demarée K. Michelau
Senior Policy Analyst and Director of Special Projects
WICHE
303.541.0223
dmichelau@wiche.edu

- or -

Russell Poulin
Associate Director
WCET
303.541.0305
rpoulin@wcet.info

Results

After the data are collected and analyzed, WCET, the Western Interstate Commission for Higher Education (WICHE), and the Institute of Academic Alliances (IAA) will publish a final policy brief designed to inform education, policy, and research communities about how academic collaborations are funded. Survey respondents will receive an email notification that includes a link to the final report when the final report is published.

The Partnering Organizations

WCET's Academic Collaboration CIG is a service of WCET (www.wcet.info) aimed at informing, supporting, and enabling technology-enabled collaboration between higher education institutions, agencies, and entities. WICHE (www.wiche.edu) is a regional organization created to assure access and excellence in higher education for all citizens of the West and to facilitate resource sharing among the higher education institutions, systems, and states. The Institute for Academic Alliances (www.k-state.edu/iaa/) facilitates inter-institutional academic programs. It specializes in program and partner identification; high-quality inter-institutional program development; program implementation and sustainability; administrative support systems; legal agreements; and policies and procedures.

Thank you for your assistance with this project.

Russ

Appendix C. Survey Respondents (Academic Collaborations)

The following academic collaborations responded to the survey:

- Arizona Universities Network (AZUN)
- BCcampus
- Campus Saskatchewan
- Canadian Virtual University
- Colorado Community Colleges Online
- Committee on Institutional Cooperation
- Connecticut Distance Learning Consortium
- Florida Distance Learning Consortium
- Great Plains IDEA
- Illinois Community Colleges Online
- Indiana Higher Education Telecommunication System (IHETS)
- Iowa Community College Online Consortium
- Jesuit Distance Education Network
- Kentucky Virtual Campus
- MarylandOnline
- Massachusetts Colleges Online
- Michigan Virtual School
- Mississippi Institutions of Higher Learning
- Montana University System
- National Universities Degree Consortium
- NJEDge.Net/New Jersey Virtual University
- North Carolina Community College System
- North Dakota University System Online
- Nevada System of Higher Education
- Minnesota Online (Office of the Chancellor, Minnesota State Colleges and Universities)
- Ohio Learning Network
- Oregon Community Colleges Distance Learning
- South Dakota Board of Regents' Electronic University Consortium
- University College, University of Maine System
- University of Illinois Global Campus
- University of Washington
- University of Texas TeleCampus
- Utah Education Network
- Utah System of Higher Education
- Virtual College of Texas
- WashingtonOnline (Washington State Board for Community and Technical Colleges)
- Web-based Information Sciences Education (WISE, coordinated by Syracuse University)
- WICHE ICE (Internet Course Exchange)
- Wyoming Distance Education Consortium