Research Highlights
Cost Effectiveness of Online Education

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## RESEARCH HIGHLIGHTS
### COST-EFFECTIVENESS OF ONLINE EDUCATION

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| Institutional Commitment | Cost reduction | Lower instructional expenses while holding student enrollments steady.                      | Cost savings per student ranged from $31 (University of Central Florida) to $105 (University at Buffalo) while enrollments remained constant or increased slightly. | Penn State  
U at Buffalo  
U of Central Florida  
U of Colorado-Boulder  
U of Illinois-Urbana  
UW-Madison  
VA Tech  
For individual school results, see http://www.center.rpi.edu/PewGrant/rd1award.html  
See Pew Grant Round I Actual Savings Summary at http://www.center.rpi.edu/PewGrant/Rd1saving.html |
|                | Reduce rented space needs by utilizing classroom space more efficiently. | U of Central Florida specifically addressed this need by implementing a mixed delivery model that combined f2f and online class sessions. |                                                                                   | See UCF results at http://www.center.rpi.edu/PewGrant/rd1award/ucf.html                       |
|                | Cost containment         | Increase student enrollments without additional expense.                                     | Increased section sizes at IUPUI and University of Southern Maine resulted in goal achievement. Rio Salado met its objective by reallocating a faculty member’s time across course sections and adding a course assistant. | IUPUI  
Rio Salado  
U. Southern Maine  
See Pew Grant Round I Actual Savings Summary at http://www.center.rpi.edu/PewGrant/Rd1saving.html |
| Institutional Commitment | Maximize available resources | Form partnerships and consortia to leverage costs and benefits to the institution.           | Through the development of a college/university consortium, the Virtual Library of Virginia (VIVA) has been able to achieve cost savings, improve library services, and expand the holdings of the individual institutions. | See VIVA homepage at http://www.viva.lib.va.us/  
For financial report, see http://www.gmu.edu/library/fen/viva/about.html#BUDGET |
| Faculty Support | Reduce the amount of faculty time spent on administrative tasks | Implement efficient course management system that allows faculty to record and calculate grades, post changes in syllabi, etc. | Faculty used various CMS products (commercial and proprietary) to handle administrative functions more efficiently. According to the research, CMS contributed extensively to redesign efforts and effective time management. | For individual school results, see http://www.center.rpi.edu/PewGrant/rd1award.html  
For summary results, see http://www.center.rpi.edu/PewGrant/Rd1saving.html |
|                | Automate various assessments to reduce faculty labor | Implement efficient online assessment process for exercises, quizzes, and tests to reduce faculty labor in preparing, grading, recording assessments and posting results. | Automated process greatly reduced faculty time on these processes and generated tests more quickly. | For individual school results, see http://www.center.rpi.edu/PewGrant/rd1award.html  
For summary results, see http://www.center.rpi.edu/PewGrant/Rd1saving.html |
### Resources Related to Cost-Effectiveness

**Operational Definitions**

**Cost-Effectiveness**


**ROI (Return on Investment)**


**Metrics for Research and Evaluation**


The National Association of College and University Business Officers provides a template for reporting cost of instruction that is useful for internal benchmarking. Searching NACUBO for “Cost of College Project” will produce the downloadable template: [http://www.nacubo.org](http://www.nacubo.org).

Pew costing method, Pew Course Redesign Project Outcomes Analysis.


**Standards**

American Council on Education (ACE) (n.d.). Guiding principles for distance learning in the learning society, [http://www.acenet.edu/calec/dist_le...ciplesIntro.cfm](http://www.acenet.edu/calec/dist_le...ciplesIntro.cfm).


**Benchmarking**


The Southern Regional Board Distance Education Laboratory examines issues such as “tuition, fees and charges, funding methods, costs and resource management, and education as e-commerce. Case studies of four SREB states—Georgia, Kentucky, Maryland, and North Carolina—representing centralized, decentralized, mixed, and freestanding were used in the analysis are described, along with ‘lessons learned’ from the casework.” See “Using Finance Policy to Reduce Barriers to Distance Learning” at this URL: http://www.electroniccampus.org/policylab/Reports/Finance_Final_9.06.pdf.

**Key Reports and Research Sites**


American Council on Education (Center for Institutional and International Initiatives— see Cost Awards for Distance Education): http://www.acenet.edu/programs/cost-awards/.


