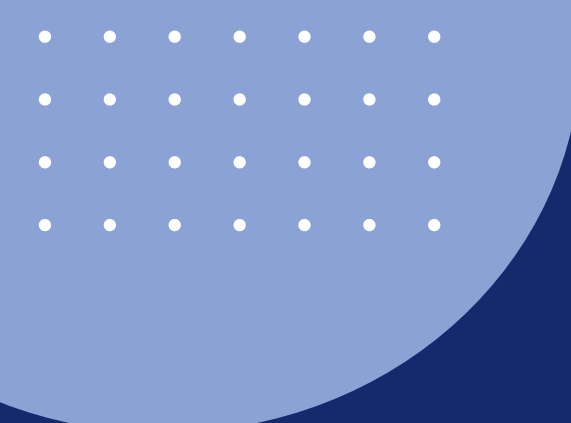




DISTANCE EDUCATION'S DISCONNECT: UNDERSTANDING THE RELATIONSHIP BETWEEN THE COST AND PRICE OF DISTANCE EDUCATION

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ACKNOWLEDGEMENTS

The author would like to thank the following individuals for their time and assistance in developing the survey and writing this report.

- Emilie Cook and Lindsey Downs for editing and formatting this report.
- Russ Poulin for his review and consultation during the writing of this report.
- Colleen Falkenstern for assistance in developing the survey and analyzing the survey results.
- The following individuals who participated in one-on-one interviews to review and discuss the findings of the report:
 - Luke Dowden, Ed.D., Associate Vice Chancellor and Chief Online Learning Officer, Alamo Colleges
 - Ryan Faulkner, Ed.D., Dean of Online Learning, College of Eastern Idaho
 - Robert Griffiths, Ph.D., Assistant Vice Provost, Online Learning and Innovation, The Ohio State University
 - Shannon Riggs, M.A., Associate Vice Provost of Education Programs and Learning Innovation, Oregon State University

RECOMMENDED CITATION AND LICENSE

The recommended citation for this report is Davis, V. (2025). Distance Education's Disconnect: Understanding the Relationship Between the Cost and Price of Distance Education. WCET. <https://wcet.wiche.edu/resources/distance-educations-disconnect-understanding-the-relationship-between-the-cost-and-price-of-distance-education/>

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EXECUTIVE SUMMARY

In 2016, WCET conducted a survey to better understand the relationship between the cost and price of distance education. The results of this survey were published in the 2017 study [*Distance Education Price and Cost Report*](#). That survey found that although 75% of respondents indicated that distance education and face-to-face students paid the same tuition, once fees were added into the equation, the majority of distance education students, 54.2%, paid more for their education than their face-to-face counterparts.

Another main finding of the 2017 report was in response to the widely accepted notion that distance education must cost less to create than face-to-face instruction. Survey respondents indicated that distance education generally costs **more**, but there are instances when it costs less if cost reduction is a specific goal of the distance offering. Distance education's goal to increase access often adds to expenditures.

Distance education continues to play a significant role in higher education even after the shift to emergency remote instruction that took place during the COVID-19 pandemic. Whereas face-to-face higher education is starting to see a reduction in enrollment, distance education enrollment continues to increase.¹



Given the pervasiveness of distance education and the still erroneous belief that somehow it is cheaper than face-to-face instruction, it is telling that, at least in terms of instructional price and costs, course modality is becoming increasingly irrelevant. Yes, in some cases, distance education continues to cost more. However, more likely than not, its costs are comparable to face-to-face instruction. We can draw seven conclusions from the 2024 survey on the cost and price of distance education.

¹Although there has been a decrease in distance education since the COVID spike of 2020/2021, distance education enrollments remain higher than prior to the pandemic.

CONCLUSIONS

1. **The majority of distance education courses, 55.6%, are funded the same as face-to-face courses.** This may indicate that distance education is becoming a more mainstream form of instruction and is less often segregated in self-funded units. In 2016, only 48.7% of respondents indicated that distance education courses were funded the same as face-to-face courses.
2. **Differences in tuition and fees between distance education and face-to-face instruction often correspond with the level of the institution.** The higher the Carnegie classification, the more likely that different policies for face-to-face and distance education exist. Still, the overwhelming majority of institutions, 63.2%, reported no different tuition and fee policies. This is over a 10 percentage-point increase since 2016 and suggests that distance education is being treated much like face-to-face instruction and may suggest the growing integration of distance education into the institution.
3. **Modality is increasingly irrelevant when determining the price of distance education.** A little over 74% reported that tuition is the same regardless of modality. However, differences in distance education fees do exist. Even though approximately half reported that distance education and face-to-face instruction had the same fees, almost 31% reported that distance education fees were higher.
4. **The costs of distance education are normalizing when compared to face-to-face instruction.** In 2016, in nine of the 22 cost categories respondents were asked about, distance education costs were more than face-to-face costs. However, in 2024, only six (regulatory costs, technologies, instructional design, creation of learning materials, assuring accessibility and ADA compliance, and faculty development) were more expensive than face-to-face instruction.
5. **The total price (tuition and fees) of distance education is beginning to align with face-to-face instruction.** A little over 34% reported that the total price of distance education was the same as that of face-to-face instruction. Still, more than a third (39.6%) reported that the total price of distance education was higher, and almost a quarter (24%) said that it was less than face-to-face. When compared to 2016, this indicates that we are beginning to see an alignment with face-to-face instruction. In 2016, 54.2% indicated that the price of distance education was greater, 26.8% the same, and only 19% indicated that it was less than face-to-face instruction.
6. **Distance education is not, however, resulting in significant cost savings.** Across the 21 categories in 2024's survey, there were no categories where the majority of distance education courses cost less than face-to-face instruction. In fact, the highest percentage indicating that distance education cost less was a mere 9.45% in the delivery of course content.
7. **Price continues to be disconnected from cost.** There was virtually no movement between 2016 and 2024 in this area. In 2016, 10.6% of respondents indicated that the price of their distance education courses was connected to their cost, while only 10.9% of the 2024 respondents reported a connection between price and cost.

Key Trends in Distance Education Costs & Pricing (2024)



1

55.6%

of distance education courses are funded the same as face-to-face courses.

2

A higher Carnegie classification = likely different policies.

3

Modality is becoming less relevant in pricing distance education, with over 74% reporting the same tuition.



4

The costs of distance education are normalizing when compared to face-to-face instruction.



5

The total price (tuition and fees) of distance education is beginning to align with face-to-face instruction.

6



Distance education is not, however, resulting in significant cost savings.

7

Price continues to be disconnected from cost.



As institutions turn to distance education to recruit more students and improve student access regardless of time and place, better understanding the costs of those distance education courses is critical. As one respondent wrote, "It is a misunderstanding to think of online classes as a commodity or product that can be 'served' to limitless numbers of students once developed. (We call this the 'just push play' myth.) Educating one student online, through regular and substantive interaction, requires just as much instructor effort and time as educating one student in the classroom."

INTRODUCTION

PURPOSE OF REPORT

In 2016, WCET conducted a survey to better understand the relationship between the cost and price of distance education. The results of this survey were published in the 2017 study [Distance Education Price and Cost Report](#). That survey found that although 75% of respondents indicated that distance education and face-to-face students paid the same tuition, once fees were added into the equation, the majority of distance education students, 54.2%, paid more for their education than their face-to-face counterparts. Furthermore, the study concluded that in several areas, distance education courses cost more to create and offer than face-to-face courses.

Most notably, those cost categories included:

- Technologies and software such as the learning management system, student information system, and teaching tools;
- Instructional design of the course;
- Creating learning materials;
- Assuring accessibility and ADA compliance; and
- Faculty training.

That report concluded with a list of recommendations for policymakers and distance education leaders, including:

- policymakers provide incentives for cost reduction and a vision of their goals for distance education, and
- distance education leaders pay attention to the price of distance education and be transparent about the costs of distance education.

Much has changed since 2016, most notably the explosion of emergency remote instruction² that came with the COVID pandemic and continued high levels of students taking online courses. In 2024, [IPEDS reported that 63.94%](#) of all students were enrolled in at least one distance education course. Although this is down from COVID-era levels, it is significantly higher than pre-pandemic levels.

This high number of students taking at least one distance education course and the continued increasing price of higher education speaks to the need to revisit the study and determine what, if any, connection between the price and cost of distance education exists. This report is a summary and analysis of WCET's *Distance Education Price and Cost Survey* conducted during the summer of 2024.

² EDUCAUSE defines emergency remote teaching as “a temporary shift of instructional delivery to an alternate delivery mode due to crisis circumstances. It involves the use of fully remote teaching solutions for instruction education that would otherwise be delivered face-to-face

or as blended or hybrid courses and that will return to that format once the crisis or emergency has abated,”

DEFINITIONS

The following definitions were provided in the introduction of the survey.

Price	This is the amount of money that is charged to a student for instruction. The components are tuition and fees.
Cost	This is the amount of money that the institution spends to create, offer, and support instruction.
Distance Education	We use the IPEDS definition: “A course in which the instructional content is delivered exclusively via distance education. Requirements for coming to campus for orientation, testing, or academic support services do not exclude a course from being classified as distance education.”

METHODOLOGY

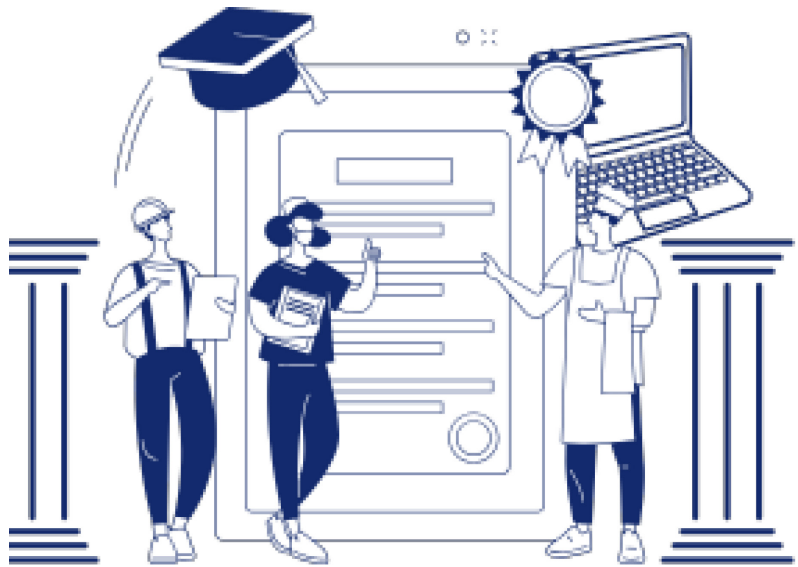
Invitations to participate in the survey went to all WCET members and distance education leaders listed in the Higher Education Directory. A copy of the survey is available in Appendix A. Survey participants were instructed to submit only one response per institution. There were 171 unique institutional responses.

Although we had hoped for greater participation in the survey, this is similar to the response to the 2016 survey. Because of the low number of responses, we cannot generalize the survey findings to all of higher education. However, given the high number of public institutions represented in the survey, 73% of all respondents, the data may be especially indicative of public higher education.

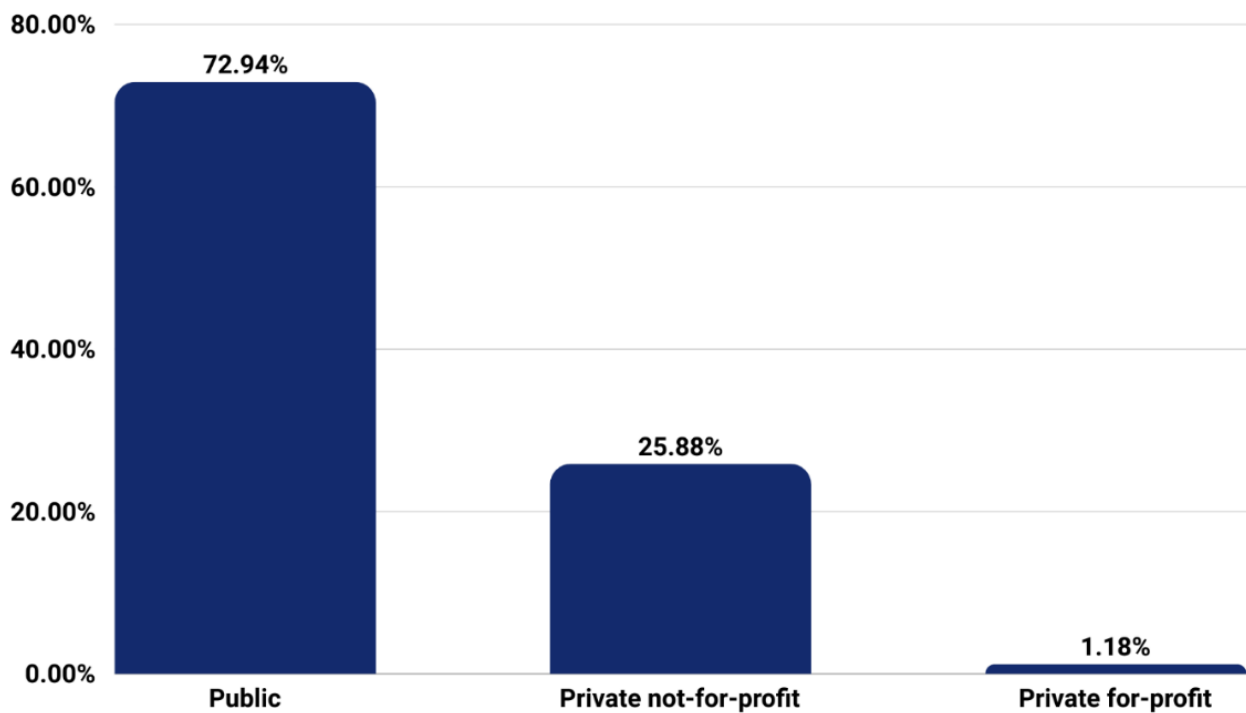
DEMOGRAPHICS

Of the 171 responses, 124 (73%) came from public institutions, 44 (25.3%) from private not-for-profit institutions, and only 2 (1.2%) from private for-profit institutions.

Public institutions are significantly overrepresented in our sample. Nationally, public institutions constitute 39.9% of all 2-year and 4-year institutions. Private not-for-profit and private for-profit are significantly underrepresented in our sample. Nationally, private not-for-profits constitute 40.2% and private for-profits 19.9%.



What Best Describes Your Institution?



INSTITUTIONAL CATEGORIES

When categorizing the level of institution, we used the most recent [Carnegie classifications](#) ([descriptions of each category are drawn from the Carnegie classification website](#)):

Associate:	Institutions at which the highest level of degree awarded is an associate's degree
Baccalaureate/ Associate:	Includes 4-year colleges, by virtue of having at least one baccalaureate degree program, that conferred more than 50% of degrees at the associate's level.
Baccalaureate:	Includes institutions where baccalaureate or higher degrees represent at least 50% of all degrees but where fewer than 50 master's degrees or 20 doctoral degrees were awarded during the update year.
Master's:	Generally includes institutions that awarded at least 50 master's degrees and fewer than 20 doctoral degrees during the update year (with occasional exceptions—see Methodology). It excludes Special Focus Institutions.
Doctoral:	Includes institutions that awarded at least 20 research/scholarship doctoral degrees during the update year and also institutions with fewer than 20 research/scholarship doctoral degrees that awarded at least 30 professional practice doctoral degrees in at least two programs.
Special Focus:	Institutions where a high concentration of degrees is in a single field or set of related fields.

Of the 171 responses, many categories are over-represented when compared to the national data.

Level	Percent of Respondents	National percentage
Associate	29.2%	24.1%
Baccalaureate/Associate	11.1%	5.1%
Baccalaureate	14.6%	13.5%
Master's	15.8%	17.0%
Doctoral	27.5%	11.8%
Special Focus	1.8%	27.6%

All categories exclude Tribal Colleges and Universities and Special Focus Institutions other than the Special Focus category.

As one can see, Associate, Baccalaureate/Associate, Baccalaureate, and Doctoral institutions are overrepresented, while all other categories are underrepresented.

Baccalaureate/Associate and Doctoral institutions are significantly overrepresented in our sample, while Special Focus institutions are significantly underrepresented.³

³ This is likely due to the study's exclusion of medical schools.

Finally, we collected information regarding the size of the institution. These options were:

- Less than 5,000 FTE;
- 5,000-10,000 FTE;
- 10,001-20,000 FTE; and
- Greater than 20,000 FTE.

Institutional Size	Percent of Respondents	National Percentage
Less than 5,000 FTE	43.9%	84%
5,001-10,000 FTE	24.6%	9%
10,001-20,000 FTE	15.8%	4%
Over 20,000 FTE	15.8%	3%

Most of the institutions represented in our sample were under 10,000 FTE. Small institutions, those with less than 5,000 FTE, are significantly underrepresented, while all other groups are significantly overrepresented.



Responsibility and Policies for Setting Tuition and Fees for Distance Courses

SOURCE OF FUNDING

To best understand the nuances around setting tuition and fees for distance education courses, we first asked respondents to indicate how their institution funds distance education. The majority of respondents, 55.6%, indicated that distance education courses received the same funding as face-to-face courses. A sizeable number, 33.9%, indicated that their distance education courses were funded through a mix of self-support and the same funding as face-to-face courses. In comparison, 7.6% indicated that their distance education courses were entirely self-funded. 1.2% stated that they did not know, and 1.8% indicated another funding scenario. This included distance education courses being funded through general ledger funds at a rate **higher** than face-to-face courses, funding varies based on the program, and a complex funding scenario involving a combination of tuition and fees, state funding, general institutional budget, student technology fees, and grant/external funding.

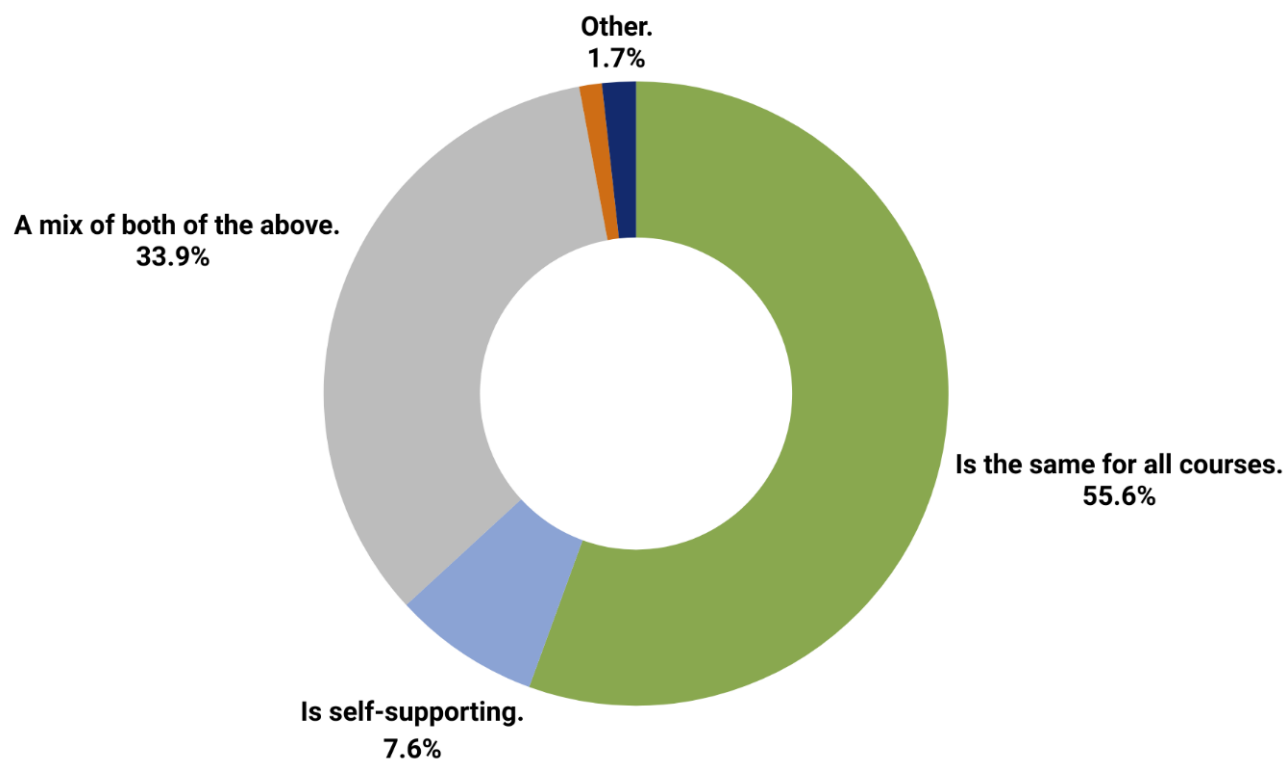
The higher the Carnegie classification, the more likely the institution reported a mixture of funding for distance education courses.

At 24%, baccalaureate institutions were more likely to report distance education courses as self-funded compared to 5% of baccalaureate/associate institutions, 4% of master's institutions, and 9% of doctoral institutions. There were also significant differences in institutions reporting funding as a mix of self-supported and the same for all courses, with doctoral institutions reporting this funding method 57% of the time compared to only 16% of associate institutions. In this case, it appears that the higher the Carnegie classification, the more likely the institution reported a mixture of funding for distance education courses.

When compared to the 2016 survey, the 2024 data reflected an increase in the number of institutions reporting the same funding. It also reflects a significant decrease in self-funded courses, falling from 16.4% in 2016 to only 7.6% in 2024. There was also an increase in the number of institutions using a mix of self-supporting and the same level of funding, growing from 29.2% in 2016 to a third of institutions, 33.9%, in 2024.

Although we did not ask for the rationale behind funding sources, we believe that the shift away from self-funding may represent a normalization of distance education and a movement away from housing distance education in self-supporting (such as continuing education) units to integrating it throughout the institution.

At my institution, the funding for distance education courses...



Is self-supporting

The course receives little or no support from the state or the central campus budget.

Is the same for all courses

Distance courses receive the same support as any other course at my institution.

A mix of both of the above

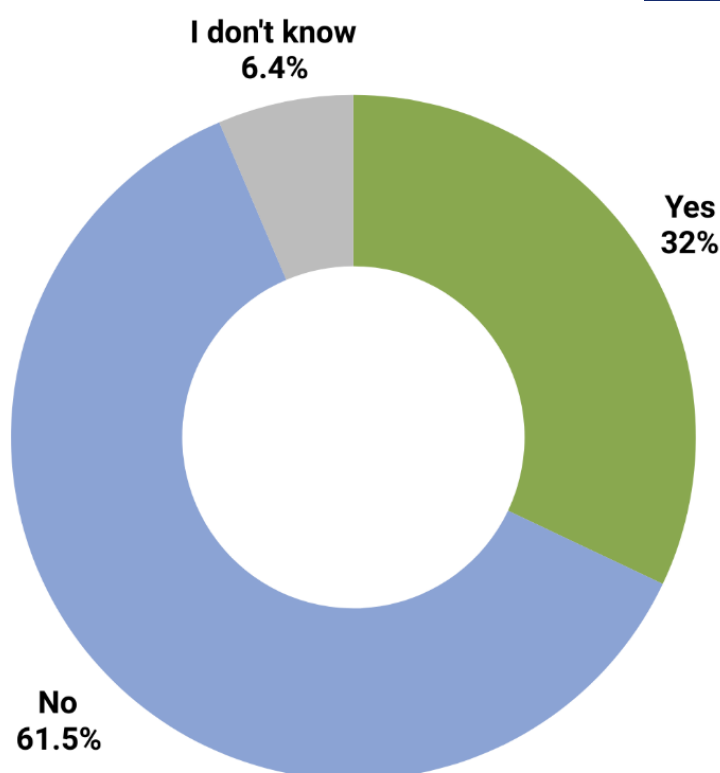
The course may be self-supported or may receive central support depending on factors such as which institutional unit offers the course.

TUITION SETTING

We also asked respondents to report how tuition and fees were set at their institutions and whether those tuition and fees differed for distance education students.

A sizeable majority, 61.5%, indicated that their institution had **no** policies to set tuition differently from face-to-face education. Almost one-third, 32.1%, though, responded that differential tuition policies did exist, and 6.4% did not know. Regarding tuition setting, the higher the Carnegie level, the greater the likelihood that there were state, system, or institutional policies in place that define tuition setting for distance education courses that are different from face-to-face courses. In this case, 40% of doctoral institutions reported such policies compared to only 19% of associate institutions.

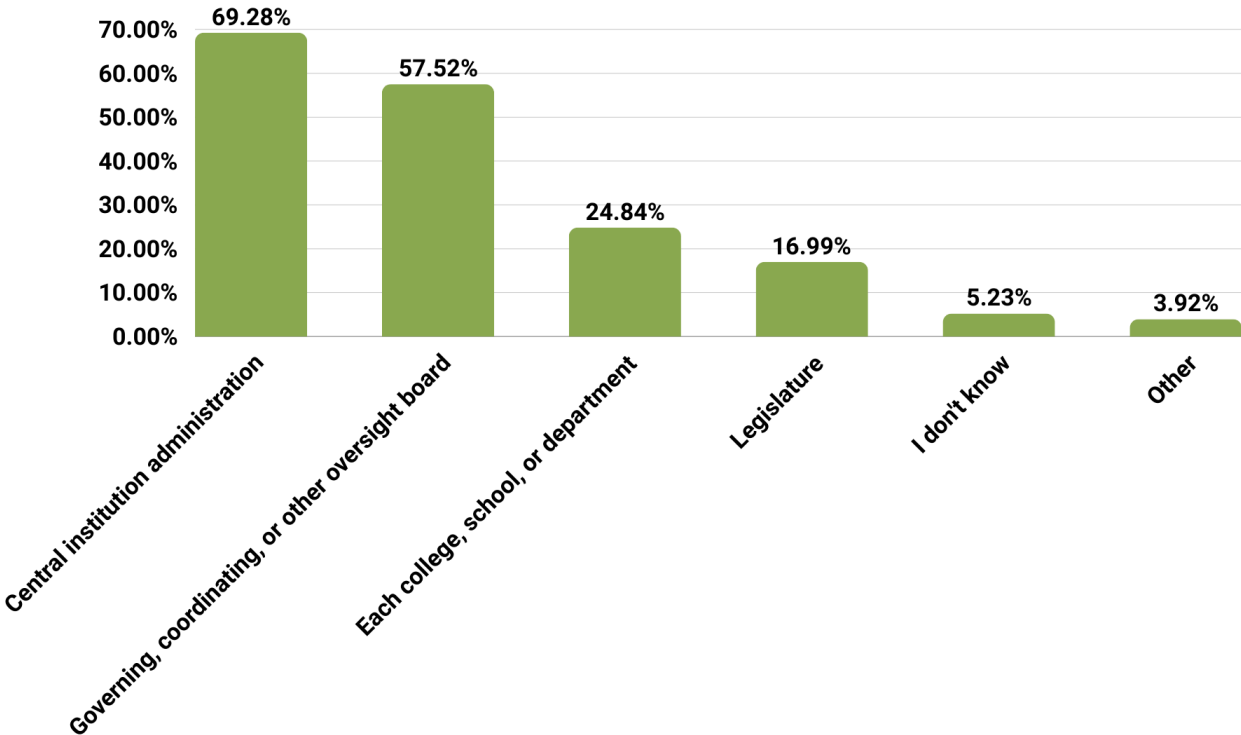
Policies were not in place to set different distance education tuition at 61.5% of institutions.



Are there state, system, or institutional policies in place that define tuition setting for distance education courses that is different than face-to-face course?

When asked to select all of the entities involved in setting tuition, 69.3% chose central institutional administration, followed by a governing, coordinating, or other oversight board at 57.5%. This was followed by almost a quarter, 24.8%, who indicated that each college, school, or department set tuition, and 17%, who said that their legislature was involved. Six respondents, or 3.9%, indicated other entities were involved in setting tuition, including a consortium, a Tuition and Fee Advisory Board, the vice president of an entirely separate online division, and, sometimes, a department requesting a special tuition. Differences aligned with the Carnegie classification emerged when examining the entities involved in setting tuition. The greater the Carnegie classification, the more likely the central institutional administration was involved in setting tuition, with 88% of doctoral institutions reporting its involvement compared to only 69% of associate institutions.

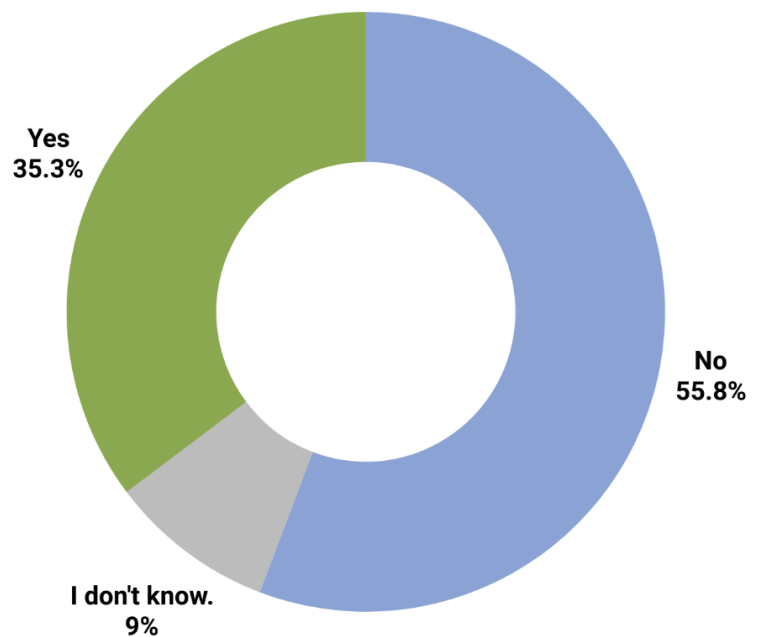
Which of the following entities are part of the approval process in making the pricing decision for the tuition rate for distance courses? Choose all that apply.



FEE SETTING

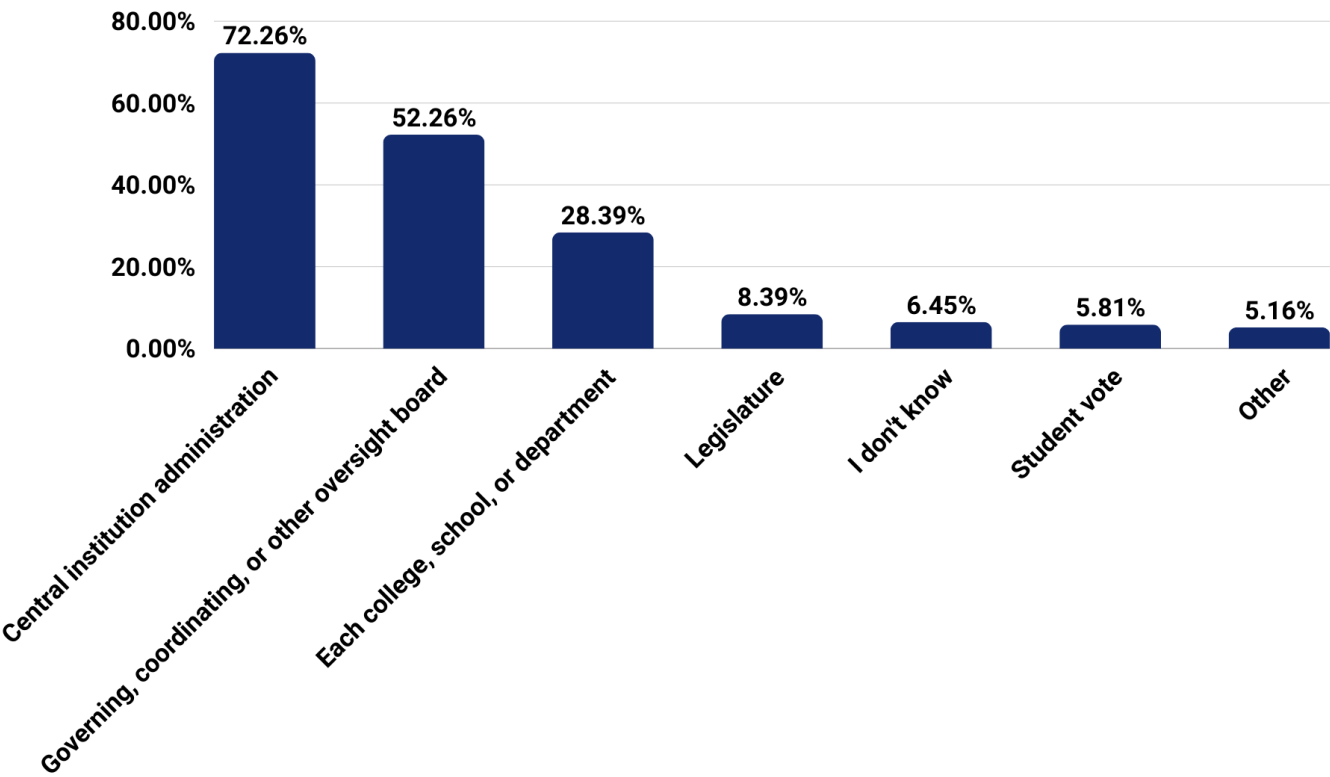
A sizeable 55.8% indicated that no policies were in place to set fees that differed from face-to-face courses. This is nearly six percentage-points fewer than for tuition setting. This also means that a little over a third (35.3%) indicated that different policies exist, and 9% did not know if separate fee policies exist.

Are there state, system, or institutional policies in place that define fee setting for distance education courses that is different than face-to-face courses?



When asked to select all of the entities involved in setting fees, almost three-quarters of respondents, or 72.3%, indicated that their central institutional administration was involved in setting fees, followed by a little over half, 52.3%, who indicated the involvement of their governing, coordinating, or other oversight board. Notably, over a quarter at 28.4%, reported the involvement of each college, school, or department. Only 8.4% indicated legislative involvement, 5.8% by student vote, 5.2% by other entities, and 6.5% did not know. Those other entities include a tuition and fee committee, a state higher education agency, a Tuition and Fee Advisory Board, and the vice president of a separate distance education division. Only three respondents indicated there were no fees unique to distance education courses.

Which of the following entities have a say in making the pricing decision for fee rates for distance education courses? Choose all that apply.



Much like with tuition setting, the higher the Carnegie classification, the greater the likelihood that the central institutional administration played a role in setting fees, with 86% of doctoral institutions reporting its involvement compared to 72% of associate institutions.

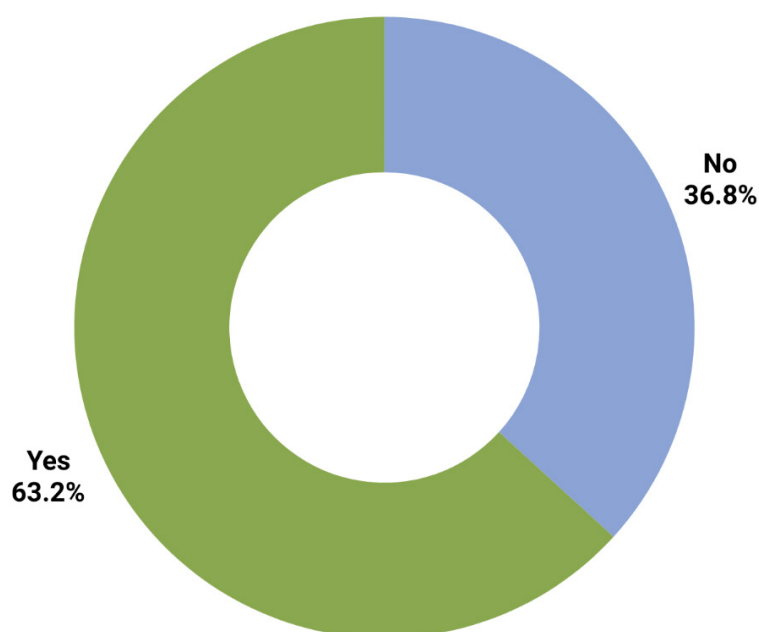
Based on this data, it is worth noting that legislatures and governing boards are more likely to play a role in setting tuition than fees, while each college and the central institutional administration are more likely to play a role in setting fees than tuition.

While tuition is more likely to be set by legislatures or governing boards, fees are more likely to be set by each college or central institutional administration.

DIFFERENTIAL PRICING

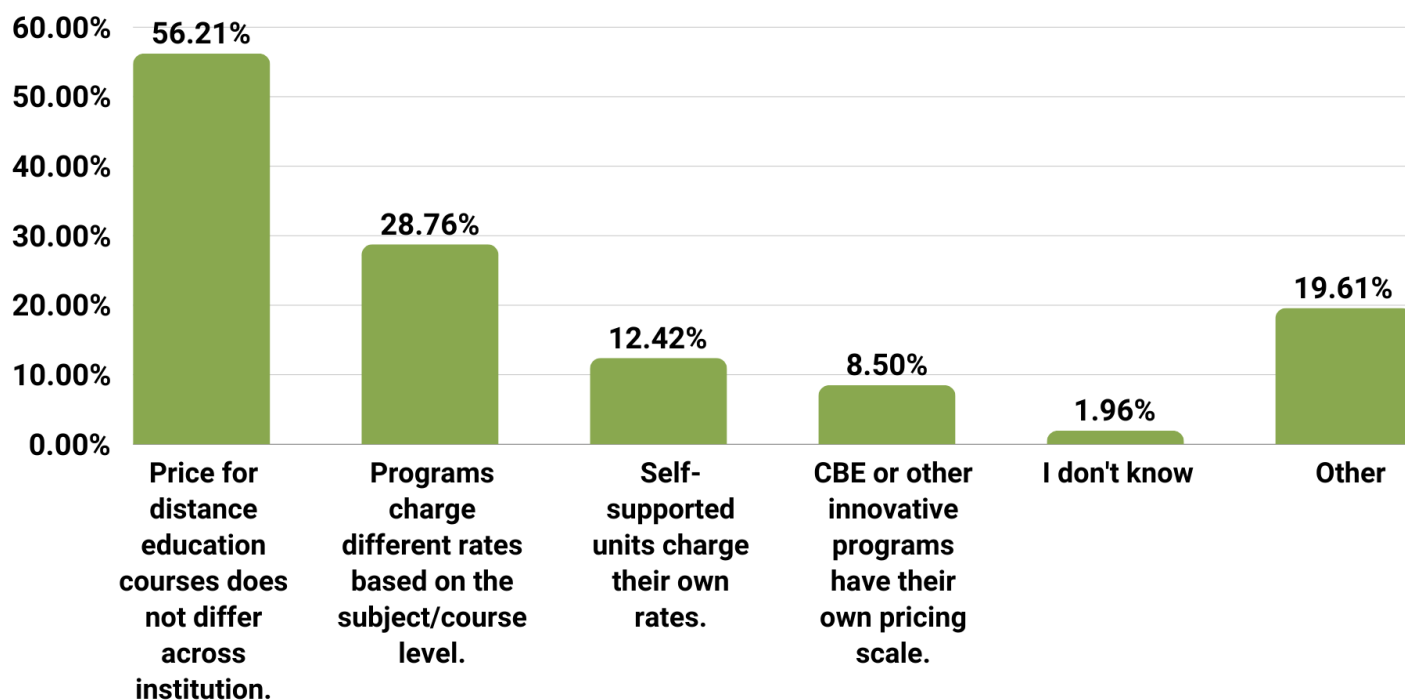
We also asked respondents if distance education was priced the same across campus academic units. 63.2% of respondents reported that distance education was priced the same for different academic units across campus. This is a modest increase over 2016, when 57.1% reported no differential pricing. Associate institutions were more likely than doctoral institutions to have distance education courses priced the same across campus, with 87% reporting that distance education courses were priced the same versus only 56% of doctoral institutions. Notably, in 2016, 77.9% of associate institutions and 17.9% of doctoral institutions reported that distance education courses were priced the same across campus.

Are distance education courses priced the same in different units (colleges/departments) across the institution?



When asked to elaborate on the most likely reasons for differential distance education pricing, 28.8% reported that the subject and course level triggered different tuition rates (this was the case for the majority of doctoral institutions at 56%), 12.4% were taught out of self-supported units, 8.5% were competency-based education courses with a different tuition model, and 19.6% chose other. Of those other models, distance education tuition tied to the competitive market rate emerged as the most frequently mentioned.

Why does the price for distance education courses differ across the institution? Select all that apply.



Differences In Distance Education Tuition, Fees, And Total Price

At the heart of understanding the relationship between the cost and price of distance education is understanding the differences between distance education tuition and fees and face-to-face tuition and fees.

To that end, we asked respondents to choose a representative distance education course from their institution and report on the tuition, fees, and total price of distance education compared to face-to-face education based on that representative course.

This methodology was chosen due to the difficulty of conducting comparisons among institutions. As indicated above, some institutions have multiple tuition and fee pricing practices across their academic units, making it impossible to provide an institutional response. A 2016 advisory committee recommended the “representative” methodology as the best compromise.

Respondents were given the following instructions:

The following questions compare the tuition, fees, and total **price** for face-to-face and distance courses. We realize that these prices may vary depending on the unit (department or college) offering it, discipline, program, or course. We want you to answer with a course in mind that, in your opinion, best generally reflects your institution’s practices. Please select:

- The course that YOU think is best representation of distance courses at your institution. You could choose the program with the largest distance enrollment, a program that is representative of common practices across the institution, or use your own criteria as what you feel best typifies practices at your institution. A distance education course that is representative of common distance education cost and price practices across your institution. We ask you to respond for a semester three-credit hour course. If your institution uses competency-based education, quarter hours, or other academic measure, do your best to convert the prices.

If you charge different tuition for students who are not residents of your state, use the price for a student who is resident in your state.

Although there were many different courses selected, the most frequently mentioned courses were:

- English Composition
- Introduction to Psychology
- Introduction to Accounting

Additionally, a number of respondents indicated that either all of their distance education courses were priced the same or all of their distance education general education courses were priced the same.

DIFFERENCES IN TUITION

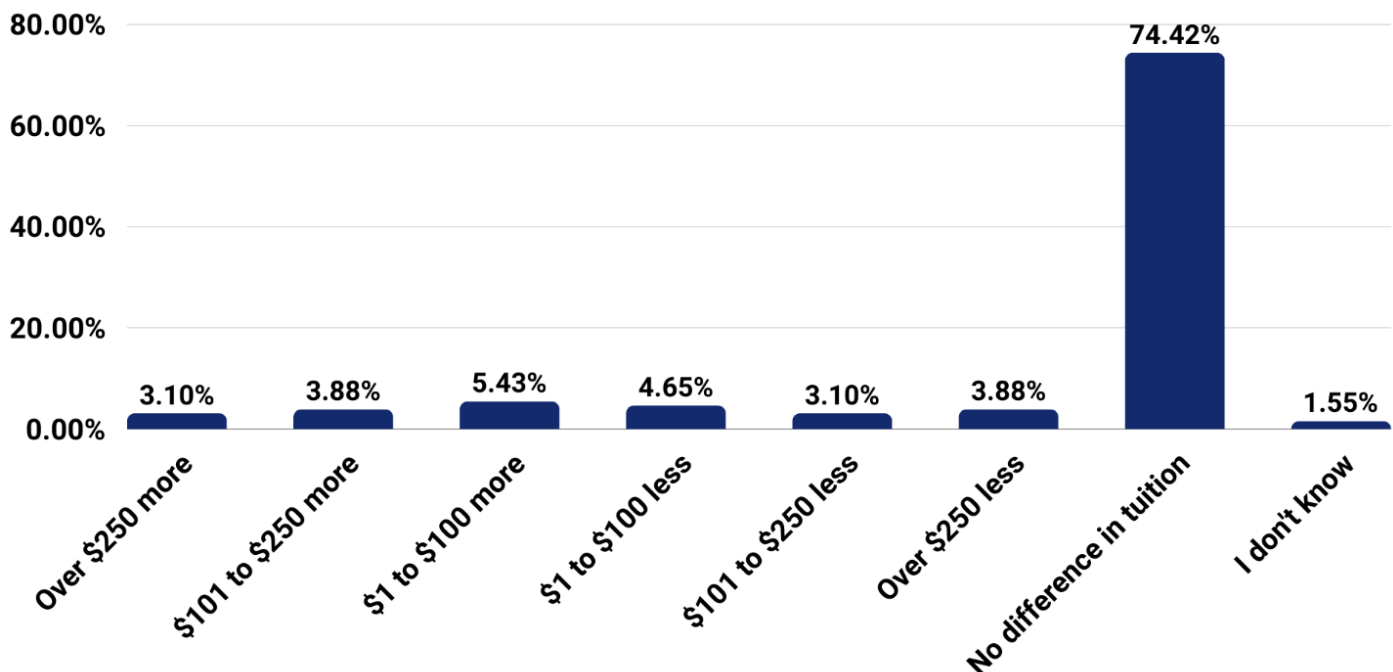
Nearly three-quarters of respondents, 74.4%, reported that the representative distance education course they selected had the same tuition rate as face-to-face courses. The lower the Carnegie level, the greater the likelihood that distance education and face-to-face education are the same, with 87% of associate institutions reporting the same tuition versus 64% of doctoral institutions.

Of those institutions that reported different tuition rates, 12.4% reported a higher distance education tuition rate, while 11.6% reported a lower distance education rate.

Associate, baccalaureate/associate, and doctoral institutions charging different tuition were more likely to charge higher tuition than lower tuition for distance education courses than baccalaureate and master's institutions.

Only 12.4% of institutions reported charging a higher tuition rate for distance education courses.

For the course that you selected, how much more or less are distance education students charged in tuition (not including student or distance education fees) for a three-credit hour course?

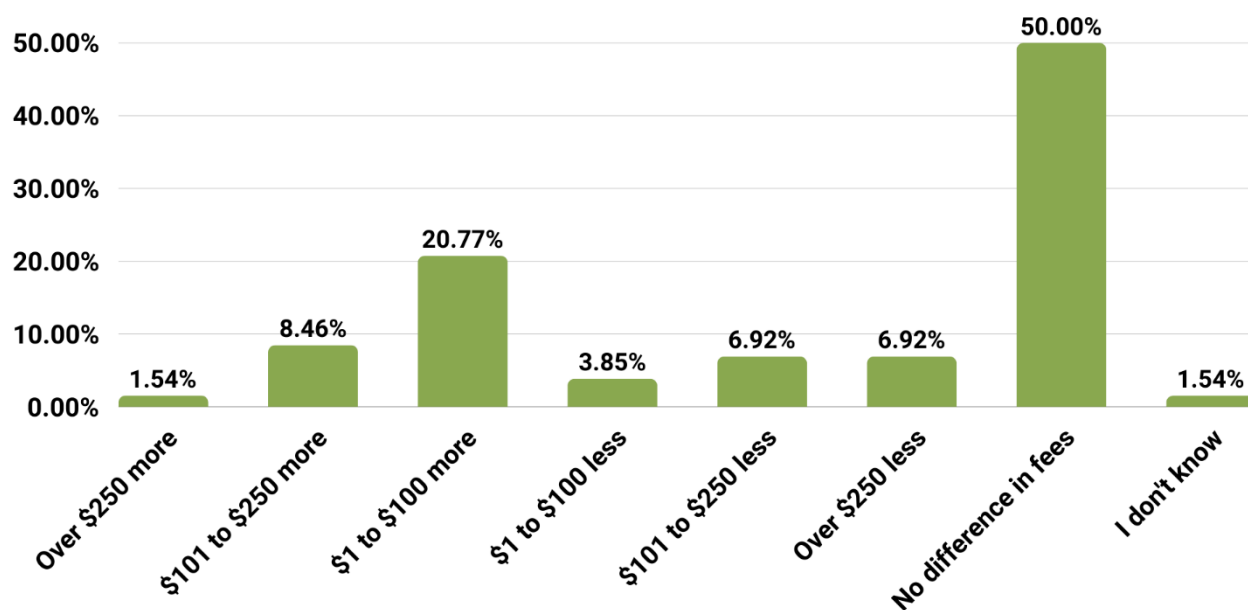


DIFFERENCES IN FEES



Half of respondents reported no difference in fees between distance education and face-to-face courses. For those institutions reporting different fees, all levels of institutions, save master's institutions, reported higher fees. 30.8% of institutions reported higher fee rates, with 20.8% of all institutions reporting a slightly higher, \$1-\$100 fee rate. Associate and doctoral institutions had the greatest percentage of higher fees, with 36% of associate institutions reporting higher fees for distance education courses and 41% of doctoral institutions.

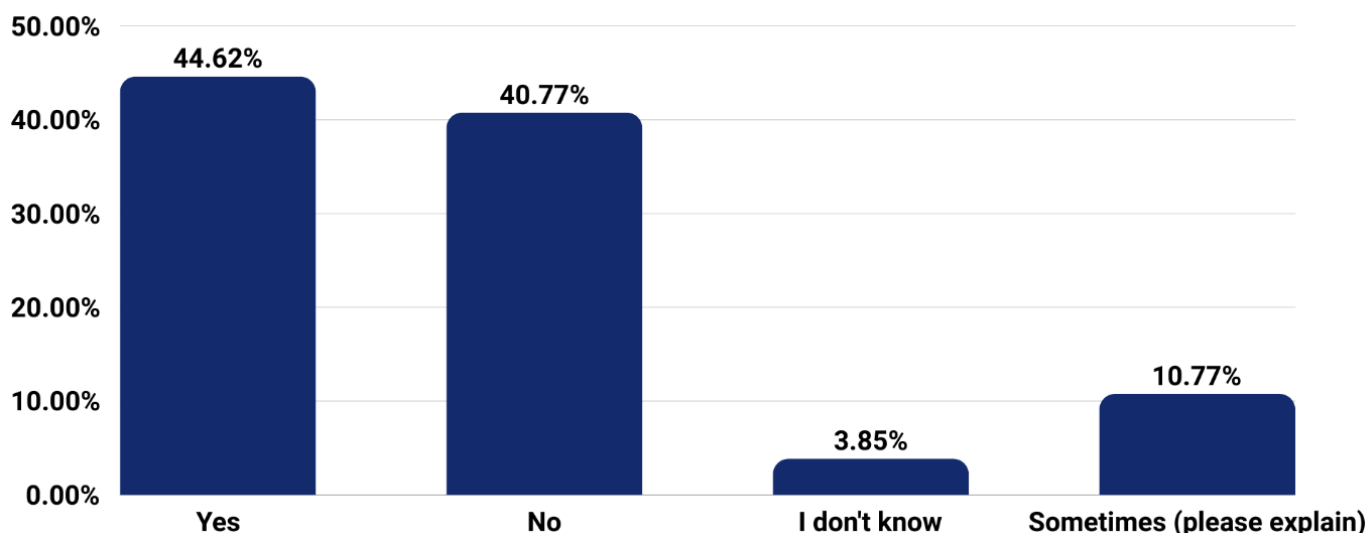
For the course that you selected, how much more or less are distance education students charged in fees (count all fees beyond tuition) for a three-credit hour course?



Additionally, 44.6% of respondents indicated that their distance education students paid the same fees as their face-to-face students, i.e., health, athletics, parking, etc. This is up from 36.3% in 2016.

- Students at associate and baccalaureate/associate institutions were significantly more likely to pay the same fees as their face-to-face counterparts at 62% and 71%, respectively.
- 39% of baccalaureate institution students and only 14% of master's institution students were likely to pay identical fees, while over a third, 35%, of doctoral institution students were likely to pay identical fees.
- 40.8% of respondents indicated that their distance education students paid different fees than their face-to-face students, and 10.8% responded that sometimes distance education students paid the same fees as face-to-face students. Of those who responded sometimes, when asked to explain, several indicated that there were no fees charged for any modality on their campus, another advised that fees were not specific to modality but to the program, and another said that fees were waived for online programs but not for the individual courses in those programs.

Do students enrolled completely at a distance pay the same mandatory fees assessed to on-campus students, such as fees for health, athletics, building construction bonds, and parking?



DIFFERENCES IN TOTAL TUITION AND FEES

A little over a third, 34.1%, of respondents indicated that the total tuition and fees for distance education students were the same as for face-to-face students. Associate institutions (46%) and baccalaureate (44%) institutions were more likely to report identical tuition and fees than higher Carnegie institutions, where only 18% of master's institutions and 21% of doctoral institutions reported identical tuition and fees.

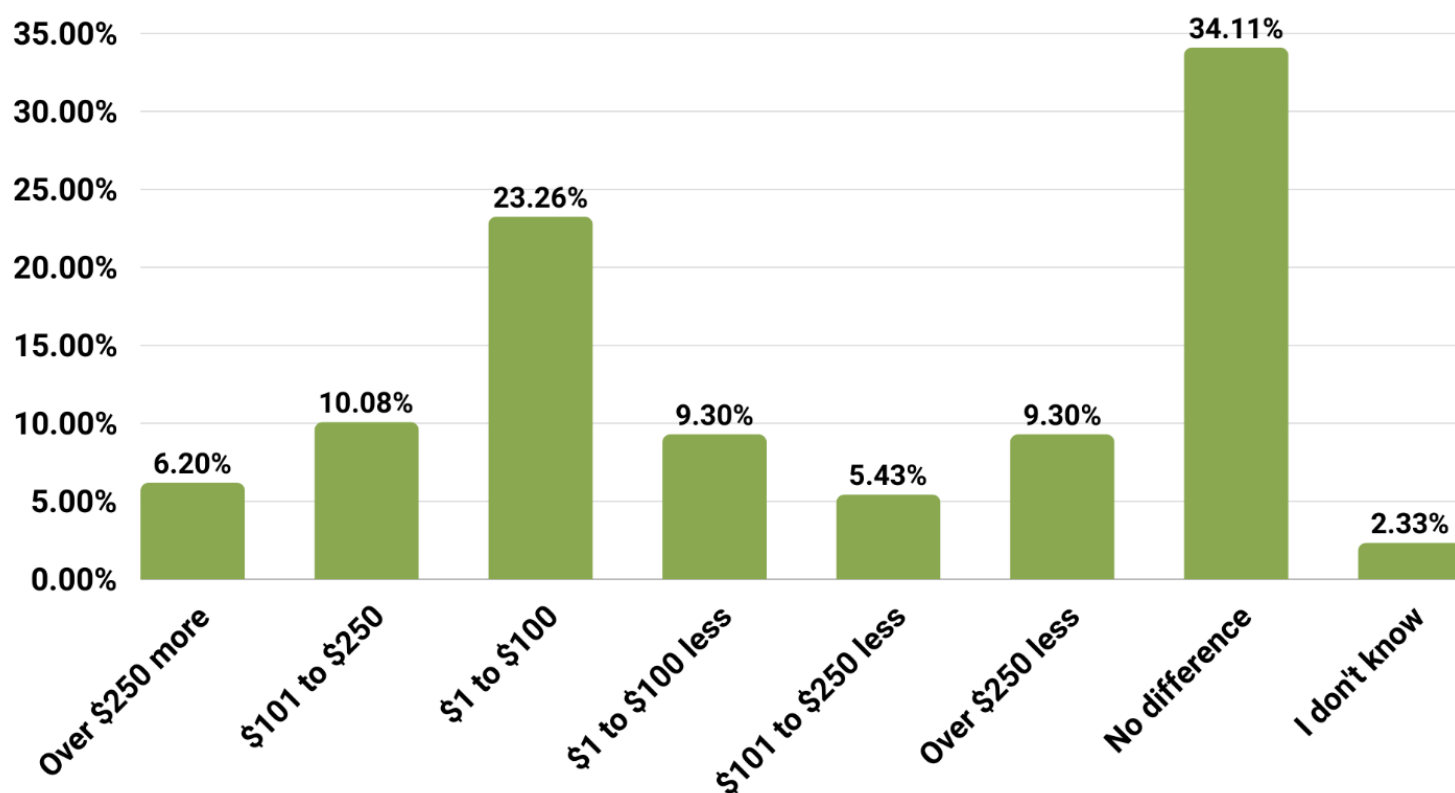
However, two out of five institutions, 39.5%, indicated that the total price of instruction was higher for distance education courses than face-to-face courses, with 23.3% of institutions reporting that it was slightly higher (\$1-\$100). Only 24% of institutions reported a lower price for distance education than for face-to-face education. In fact, in most instances, the price of distance education courses was more likely to be higher than that of face-to-face courses. 64% of associate/baccalaureate institutions, 23% of master's institutions, and 45% of doctoral institutions were likely to have a higher price for distance education courses.

When allowed to elaborate on the comparison of total price between distance education and face-to-face instruction, several respondents indicated that there **could** be cost savings for distance education over time; however, it is still the case that distance education courses have higher start-up costs. Other respondents observed that as distance education and face-to-face courses blur with hybrid and hyflex courses, the variance of the cost of distance education compared to face-to-face might decrease. As one respondent noted, "The difference in cost between distance education and traditional (face-to-face) courses is growing less as traditional courses begin to embrace many of the same technologies and procedures as the online courses."

Despite the recent attention on online program management companies (OPMs) from the Department of Education, only one respondent cited OPM costs as a reason distance education costs were higher than face-to-face costs. All distance education programs have development and marketing costs; however, some institutions decide to outsource those costs.

Nearly 40% of institutions indicated that the price of distance education courses was more likely to be higher than the same face-to-face courses, but a little over a third indicated that the price was the same.

Now let's add tuition and fees together into a total price.
For the course that you selected, how much more or less are distance education students charged in total price (tuition plus all fees) for a three-credit hour course?



Cost of Distance Education

Respondents were asked to examine the cost of creating, offering, and supporting distance education instruction across four categories and 21 components within those categories:

- Preparing the Course,
- Teaching the Course,
- Assessing Student Learning in the Course, and
- Supporting Students and Faculty in the Course.

Across all areas, most respondents indicated that distance education courses cost the same or slightly more to prepare, teach, assess, and support.

Although many respondents reported that distance education did not cost less than face-to-face in any of the 21 components, in 71.4% of the components (fifteen), the majority of respondents specified that distance education costs were the same as face-to-face costs. Respondents indicated that in 28.6% (6) of the cost categories distance education costs were more than face-to-face most of the time.

Those six components are:



Respondents indicated that six components cost more for distance education than face-to-face education: regulatory costs, technologies and software, instructional design, creation of learning materials, accessibility, and faculty training.

PREPARING THE COURSE

There were four components associated with this category:

- accreditation;
- regulatory costs for out-of-state students, such as state authorization or professional licensure costs;
- technologies/software, such as LMS, SIS, and teaching tools; and
- admissions and enrollment, including student identity verification and marketing.

In each of these components, institutions were most likely to indicate that when compared with face-to-face costs, distance education costs were either the same or slightly higher. The majority of institutions reported that accreditation (67.8%) and admissions and enrollment (60.2%) costs were the same for distance education courses as they were for face-to-face courses. This differed from the other two components (regulatory costs and technologies/software), which were more likely to incur greater costs than for face-to-face courses.

The most expensive cost component in this category for institutions was regulatory costs, with 60.63% of institutions reporting that these costs were greater for distance education than for face-to-face and not even 1%, .8%, indicating that regulatory costs were cheaper for distance education. Because accreditation and state authorization expenses were lumped together in 2016, it is difficult to determine if this constitutes an increase.

However, given the increase in costs associated with regulations for out-of-state students, such as state authorization or professional licensure, there is a strong likelihood that the expenses associated with this category have grown since 2016. There were some variations in cost corresponding with the institutional level. For example, master's and doctoral institutions were more likely than other institutions to indicate greater regulatory costs, with 82% and 77%, respectively. We believe this likely reflects a larger number of out-of-state students enrolling at those institutions.

The percentage of institutions reporting technology costs for distance education as more than for face-to-face is down to 49.2% in 2024 from 67.3% in 2016. This is probably due to the increased use of the LMS and other technology tools for all classes in the wake of COVID-19 and the increase in hybrid education. Additionally, there was also a slight decrease in admissions and enrollment expenses in 2024, with 32.8% indicating that admissions and enrollment expenses were more for distance education compared to 35.2% in 2016.

Compared to a similar face-to-face course, distance education costs in preparing the course are...

	Much Less (More than 25% less)	Slightly Less (1-24% less)	The Same	Slightly More (1-24% more)	Much More (25% & greater)	I Don't Know
Accreditation	1.65%	0%	67.77%	19.83%	5.79%	4.96%
Regulatory costs for out-of-state students (state auth. or professional licensure costs)	0.79%	0%	32.28%	48.03%	12.60%	6.30%
Technologies/software (LMS, SIS, teaching tools)	2.34%	0.78%	46.09%	31.25%	17.97%	1.56%
Admissions & enrollment (such as student identity verification & marketing)	0.78%	2.34%	60.16%	23.44%	9.38%	3.91%

TEACHING THE COURSE

There were six components associated with this category:

- instructional design of the course;
- creation of learning materials;
- select/obtain/purchase learning materials;
- assuring accessibility and ADA compliance;
- delivery of course content by faculty/other means; and
- facilitation of group activities.

In three of these components, respondents indicated sizeable numbers where distance education costs were the same as face-to-face: select/obtain/purchase learning materials (71.7%), delivery of course content by faculty/other means (72.4%), and facilitation of group activities (70.9%). In each of these areas, there was an increase over 2016 (select/obtain/purchase learning materials, 65.5%; delivery of course content by faculty/other means, 62.1%; facilitation of group activities, 70.5%).

The component “Instructional design of the course” was selected as costing more by the highest number of institutions. 71.7% of respondents indicated greater costs compared to only 23.6%, indicating the costs were the same. A scant 2.4% indicated that costs were less than face-to-face. This was very similar to 2016, when 1.2% indicated costs were less, 24.1% indicated costs were the same, and 74.7% indicated costs were greater.

Only a third, 32.5%, of respondents stated that creating learning materials was the same between distance education and face-to-face, while 61.9% indicated that it costs more for distance education. 42.9% of respondents said that creating learning materials costs up to 25% more for distance education, and 19.1% said that creating learning materials costs greater than 25% more than face-to-face courses. Although respondents did not indicate why, these greater costs may reflect the development of multimedia learning materials, such as the video production of instructor lectures.

There were several significant changes from 2016 to 2024. In 2016, 37% said it cost more to select/obtain/purchase learning materials versus 22.1% in 2024 for a 14.9 percentage-point difference. This may indicate that institutions increasingly use the same learning materials in face-to-face and distance education courses.

Additionally, in 2016, 36.1% said it cost the same to assure accessibility and ADA compliance versus 40.9% in 2024, for a 4.8 percentage-point difference. This may indicate that institutions are increasingly paying attention to accessibility and ADA compliance for face-to-face courses as well as distance education.

There were also significant differences in the costs for delivery of course content by faculty/other means. In 2016, 32.5% indicated that the costs were greater versus 15.7% in 2024 for a 16.8% percentage-point difference. Also, in 2016, 62% indicated costs were the same when compared to 72.4% in 2024, for a 10.4 percentage-point difference. This likely indicates that institutions are using the same instructional paradigm as face-to-face, making instructional expenses similar between the two modalities.

Finally, there were also significant differences in the costs for the facilitation of group activities. In 2016, 25.9% indicated that it cost more compared to 16.5% in 2024, for a 9.4% percentage-point difference. Additionally, in 2016, only 3.6% indicated that it cost less versus 8.7% in 2024 for a 5.1 percentage-point difference.

This category, with its focus on delivery costs, would seem to indicate that the costs of distance education are declining. Although we did not ask respondents to speculate on the reason for declining costs, it is highly likely that reflects the adoption of practices traditionally associated with distance education in face-to-face courses.

Compared to a similar face-to-face course, distance education costs in teaching the course are..

	Much Less (more than 25% less)	Slightly Less (1-24% less)	The Same	Slightly More (1-24% more)	Much More (25% and greater)	I Don't Know
Instructional design of the course	2.36%	0%	23.62%	37.80%	33.86%	2.36%
Creation of learning materials	2.38%	0.79%	32.54%	42.86%	19.05%	2.38%
Select/obtain/purchase learning materials	0.79%	3.15%	71.65%	18.11%	3.94%	2.36%
Assuring accessibility & ADA compliance	1.57%	0%	40.94%	40.16%	15.75%	1.57%
Delivery of course content by faculty/other means	5.51%	3.94%	72.44%	14.17%	1.57%	2.36%
Facilitation of group activities	3.94%	4.72%	70.87%	14.96%	1.57%	3.94%

ASSESSING THE COURSE

There are four components associated with this category:

- design/select/purchase assessments;
- administer/proctor assessments;
- verify student identity for assessments; and
- evaluate/grade assessments.

In each of these components, the majority of respondents indicated that the costs for distance education were the same as for face-to-face with 81.6% for design/select/purchase assessments, 52% for administer/proctor assessments, 60.8% for verifying student identity for assessments, and 85.6% for evaluate/grade assessments. There was, however, considerable variation among institutional types around the costs associated with administering or proctoring assessments. 34% of doctoral institutions reported costs were the same compared to 71% of baccalaureate institutions.

The component with the highest percentage of respondents indicating that costs for distance education are greater was for administering/proctoring assessments at almost half, 42.4%.⁴ This was followed by 34.4% of respondents indicating that it costs more to verify student identity for assessments for distance education than face-to-face. There was considerable variation among institution types when responding to this question:

- 51% of associate institutions indicated that costs were the same.
- 50% of associate and baccalaureate institutions indicated the same costs.
- 71% of baccalaureate institutions indicated that costs were the same.
- 59% of master's institutions indicated that costs were the same.
- 34% of doctoral institutions indicated that costs were the same.

⁴ It is possible that this percentage has risen as we have heard several members indicate that with student access to generative artificial intelligence, there is an increase in the demand for proctoring services.

There are several significant changes between 2016 and 2024. In 2024, 12.8% of respondents said it cost more for distance education to design/select/purchase assessments compared to 24.1% in 2016, for an 11.3 percentage-point difference. This may be because institutions use similar, if not identical, assessments and assessment practices in their face-to-face and distance education courses. Additionally, in 2024, 42.4% of respondents said it cost more for distance education to administer/proctor assessments compared to 58.4% in 2016, for a 16 percentage-point difference. This may be because institutions are increasingly using electronic proctoring methods for both face-to-face and distance education.

Also, in 2024, 34.4% of respondents said it cost more for distance education to verify student identity for assessments compared to 51.5% in 2016, for a 12.3 percentage-point difference. Additionally, in 2024, 60.8% of respondents reported costs were the same compared to 48.5% in 2016, for a 12.3 percentage-point difference. This may be because institutions are increasingly using digital assessments for both face-to-face and distance education courses that require identical identity verification. And finally, 7.2% indicated that it costs more to evaluate/grade assessments in distance education courses versus 12% in 2016 for a 4.8 percentage-point difference.

Compared to a similar face-to-face course, distance education costs in assessing student learning in the course are...

	Much Less (more than 25% less)	Slightly Less (1- 24% less)	The Same	Slightly More (1- 24% more)	Much More (25% & greater)	I Don't Know
Design/select/ purchase assessments	1.60%	0%	81.60%	10.40%	2.40%	4.00%
Administer/ proctor assessments	2.40%	0.80%	52.00%	34.40%	8.00%	2.40%
Verify student identity for assessments	1.60%	0%	60.80%	28.00%	6.40%	3.20%
Evaluate/grade assessments	3.20%	0.80%	85.60%	6.40%	0.80%	3.20%

SUPPORTING THE COURSE

There are seven components associated with this category:

- student orientation;
- faculty training;
- library and other learning resources;
- tutoring and academic course assistance;
- retention services;
- help desk for technical support; and
- academic advising.

In all but one category (faculty training), the majority of respondents reported that the costs associated with distance education were the same as the costs associated with face-to-face courses. Faculty training was the one component where the majority of respondents indicated that distance education costs were greater than face-to-face. 63% indicated costs were greater compared to the 31.5% that indicated that costs were the same. Of those reporting that costs were greater, 45.8% of respondents indicated that the cost was between 1-24% more for distance education, and 17.3% that the cost was greater than 25% for distance education compared to face-to-face.

Of the seven components, academic advising was the most likely to have the same costs as face-to-face, 82.7%. Only 10.2% indicated that the costs for distance education courses were greater, and 5.5% indicated that costs for distance education were less. Additionally, the costs associated with libraries and other learning resources were also most likely to be the same for distance education as for face-to-face at 78%.

This likely represents a shift away from hard copies of learning resources to a focus on more electronic resources that all students can use.



Significant changes occurred in all seven components between the 2016 and 2024 studies.

- *Student orientation*: In 2024, 19.7% of respondents indicated that the costs associated with student orientation were less for distance education than for face-to-face. That is a 10.6 percentage-point difference from the 9.1% reported in 2016.
- *Faculty training*: Even though the majority of respondents in both 2024 and 2016 indicated that distance education costs were greater than face-to-face costs, 2024's 63% represents a decrease of 5.7 percentage points from 2016's 68.7%.
- *Library and other learning resources*: In 2024, only 15.8% of respondents said that distance education costs were greater than face-to-face costs. This is an 18.7 percentage-point difference from 2016's 34.5%. This likely represents an increase in the acquisition of electronic resources available to all students, especially open educational resources.
- *Tutoring and academic course assistance*: In 2024, 29.1% indicated that distance education costs were greater than face-to-face costs. That is an 11.3 percentage-point difference from 2016's 40.4%. This likely represents institutional moves towards virtual, on-demand academic assistance available to all students.
- *Retention services*: In 2024, 20.5% of respondents indicated that distance education costs were greater than face-to-face costs. That is down slightly more than 4 percentage-points, 4.2%, from 2016's 24.7%.
- *Help desk for technical support*: In 2024, 25.2% of respondents indicated that distance education costs were greater than face-to-face costs. That is down a significant 23.6 percentage-points from 2016's 48.8%. This likely represents the expanded use of digital learning tools, such as the learning management system, by all faculty regardless of modality and a need for technical support services regardless of modality.
- *Academic advising*: In 2024, 10.2% of respondents indicated that distance education costs were greater than for face-to-face courses. This is down 10.3 percentage-points from 2016's 20.5% and likely indicates little differentiation in academic advising based on the student's modality.

Compared to a similar face-to-face course, distance education costs in supporting students and faculty for the course are...

	Much Less (more than 25% less)	Slightly Less (1- 24% less)	The Same	Slightly More (1- 24% more)	Much More (25% and greater)	I Don't Know
Student orientation	5.51%	14.17%	59.06%	17.32%	2.36%	1.57%
Faculty training	1.57%	2.36%	31.50%	45.67%	17.32%	1.57%
Library & other learning resources	0.79%	3.94%	77.95%	11.81%	3.94%	1.57%
Tutoring & academic course assistance	1.57%	5.51%	62.20%	21.26%	7.87%	1.57%
Retention services	3.94%	4.72%	69.29%	15.75%	4.72%	1.57%
Help desk for technical support	1.57%	1.57%	70.08%	22.05%	3.15%	1.57%
Academic advising	2.36%	3.15%	82.68%	7.87%	2.36%	1.57%

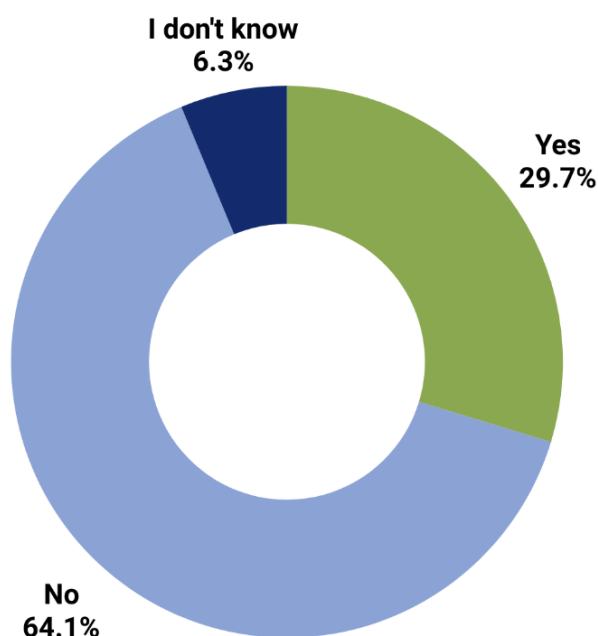
FINAL QUESTIONS

Respondents were also asked to reflect on two additional actions taken to reduce the cost of learning materials and the relationship between the cost and price of distance education.

1. ACTIONS TO REDUCE TEXTBOOK AND LEARNING MATERIAL COSTS

Respondents were asked if their institutions were taking any actions to reduce the price of instructional materials for distance education courses that they were not taking for face-to-face courses. 29.7% indicated that their institutions were taking actions to reduce the price of instructional materials for distance education courses that they were not taking for face-to-face courses. In comparison, 64.1% indicated they were not. 6.3% responded that they did not know.

Are you taking any actions to reduce the price of instructional materials for distance education courses that you are not taking for face-to-face courses?



There was some variation across institutional types, with associate institutions, master's institutions, and doctoral institutions reporting the greatest likelihood of no unique action being taken only for distance education courses.

- 68% of associate institutions reported no unique actions.
- 57% of associate/baccalaureate institutions reported no unique actions.
- 53% of baccalaureate institutions reported no unique actions.
- 64% of master's institutions reported no unique actions.
- 65% of doctoral institutions reported no unique actions.

This is similar to responses in 2016, where 35.6% indicated no and 64.4% indicated yes. OER is frequently mentioned, with a few mentions of inclusive access. Of 43 open-ended responses to this question, OER was mentioned 26 times.

2. RELATIONSHIP BETWEEN PRICE OF DISTANCE EDUCATION AND COST OF DISTANCE EDUCATION

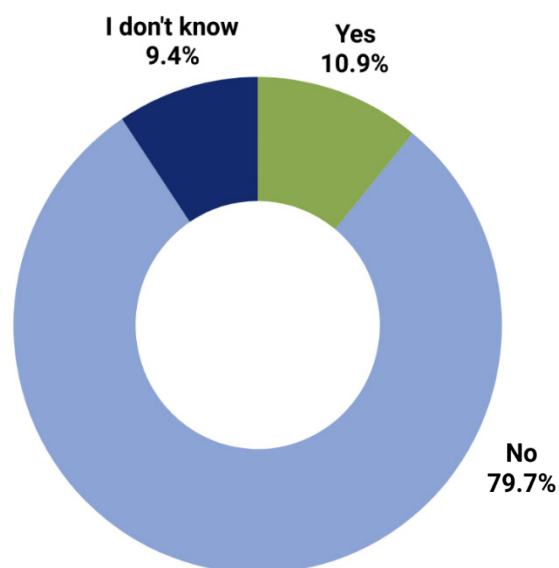
Respondents were asked if the pricing of their institution's distance education courses was dependent on the cost of producing and offering those courses.

A mere 10.9% indicated a relationship between cost and price, 79.7% indicated that price was independent of cost, and 9.4% stated that they did not know. Doctoral institutions were the most likely to link cost and price at 24%. Associate/baccalaureate institutions were least likely to link cost and price at 0%. 5% of associate institutions reported a link between cost and price, and 12% of baccalaureate institutions reported a link between cost and price. Additionally, only 5% of master's institutions reported a link between cost and price.

Is the pricing of your distance education courses directly Dependent on the cost to produce and offer those courses?

This is very similar to responses in 2016, where only 10.6% indicated that there was a relationship between cost and price. 89.4% indicated that cost and price were independent. However, since there was not an option to select, *I don't know*, our analysis is based on those who indicated a relationship rather than those that did not indicate a relationship.

Respondents listed several reasons there was no direct relationship between price and cost. These included historical inertia and institutional history, market pressures, internal cross-subsidies, and lack of transparency around production costs. Several open-ended responses indicated that price is dependent on competitors or what the market will bear.



Although one respondent stated, "I would say that while the prices were initially set based on historical factors, today, they are very much driven by cost and by concerns over affordability." Another respondent opined that they keep instruction costs below 15% of their revenue because someone else "sets the tuition price for me, and then I give [up] the vast majority of the tuition revenue (80) to subsidize the traditional units on campus." Several respondents mentioned a fee for distance learning to offset digital learning costs. These range from \$5/semester credit hour to \$50/semester credit hour.

WHAT ELSE DO WE NEED TO KNOW ABOUT HOW TUITION AND FEES ARE SET?

When asked what else we needed to know about how tuition and fees are set, several respondents commented on the lack of transparency and consistency in how the price of distance education is calculated and communicated. Respondents also indicated that there was generally a need to balance revenue generation with affordability, ensure equity and access, and explore the development of state and system-level collaborations as a means of reducing the cost of distance education. As one respondent put it, “Efforts are made to keep tuition rates fair and consistent with

those for face-to-face courses, ensuring accessibility and affordability for all students.” Another reflected on the necessity of distance education fees, commenting, “We don’t like assessing the fee for distance education courses, but it is the only way we have come up with to sustainably support the continued improvement of our distance courses.”

Unfortunately, other respondents indicated that those distance education fees are directed to the institution’s general fund or elsewhere and are not used to support distance education.

Comments To Legislators Who Believe That Distance Education Should Cost Less Than Face-to-Face

We are aware that some legislators continue to believe that distance education should cost less than face-to-face instruction. There was a strong consensus among our respondents that distance education is **not** inherently cheaper and may require equal, if not more significant, investments to create **quality** courses. One respondent succinctly put it, “Low cost equals low quality.”

Respondents indicated several hidden costs that policymakers may overlook, including:

- Technology infrastructure;
- Instructional design;
- Student support;
- Compliance and regulations;
- Increased time investment for course preparation;
- Interaction with students; and
- Providing feedback.

Some of the concerns that respondents expressed included the observation that underfunding distance education could negatively impact equity and access for those students who rely on distance education. At the same time, others reflected on the need to engage qualified staff in the development of distance education. As one respondent wrote, “Policymakers should heed the response we received when we pivoted to remote learning during COVID. The learning experience was subpar because we relied on subject matter experts to become instructional designers. If you want quality online instruction, you need to invest in the infrastructure, the design, and the maintenance of the course content.”

As one respondent summed up the relationship between cost and distance education:

Online education provides opportunity and can generate revenue through increased enrollment; however, ethically developed and delivered online education will often increase the school’s investment. There is a sincere belief that online education is less expensive because it reduces brick-and-mortar costs. However, servers, cybersecurity, SAAS systems, troubleshooting, cabling, internet service, and maintenance grow exponentially, and all of that requires paying brick and mortar somewhere and space for the servers.... Online education requires additional investment in people to manage and create community, work retention, and relationships that used to be managed by proximity. For example, advising a student who is on campus and literally runs into people all day who can answer questions takes less time and reach out than a student who only has one advisor to answer all the same questions and who does not by happenstance run into people all day.

Online education also requires additional technical skills for faculty, requiring more training, time, and instructional design support... New faculty also have to become technologically adventurous, knowledgeable about legal ramifications of online privacy and security, proficient in digital accessibility (especially with the updates to Title II), and be prepared for the heightened scrutiny placed in online classes because of federal and state regulations... Online education is absolutely an accessibility and equity in access issue. Distance education makes it possible for more people to earn an education because they are no longer as limited by time and space. However, online education is not less expensive. We are still paying for infrastructure; it’s just a structure we don’t immediately see. It is so important to practice our object permanence and understand how the systems work. Finally, with the advent of AI, unless we offload additional costs to students, we will see increases in costs for authentication, assessments, proctoring at live locations, which are brick-and-mortar and have to be maintained.

CONCLUSION

Distance education continues to play a significant role in higher education even after the shift to emergency remote instruction that took place during the COVID-19 pandemic. Whereas higher education is starting to see a reduction in enrollments, distance education continues to increase.⁵ Given the pervasiveness of distance education and the still erroneous belief that somehow it is cheaper than face-

to-face instruction, it is telling that, at least in terms of instructional price and costs, modality is becoming increasingly irrelevant. Yes, in some cases, distance education continues to cost more. However, more likely than not, its costs are comparable to face-to-face instruction. We can draw seven conclusions from the 2024 survey on the cost and price of distance education.

1. **The majority of distance education courses, 55.6%, are funded the same as face-to-face courses.** This may indicate that distance education is becoming a more mainstream form of instruction and is less often segregated in self-funded units. This is a slight increase of almost seven percentage points over 2016.
2. **Differences in tuition and fees between distance education and face-to-face instruction often correspond with the level of the institution;** the higher the Carnegie classification, the more likely that different policies for face-to-face and distance education exist. Still, the overwhelming majority of institutions, 63.2%, reported no different tuition and fee policies. This is over a 10 percentage-point increase since 2016 and suggests that distance education is being treated much like face-to-face instruction and may suggest the growing integration of distance education into the institution.
3. **Modality is increasingly irrelevant when determining the price of distance education.** A little over 74% reported that tuition is the same regardless of modality. However, differences in distance education fees do exist. Even though approximately half reported that distance education and face-to-face instruction had the same fees, almost 31% reported that distance education fees were higher.
4. **Distance education costs are normalizing compared to face-to-face instruction.** In 2016, in nine of the 22 cost categories respondents were asked about, distance education costs were more than face-to-face costs. However, in 2024, only six (regulatory costs, technologies, instructional design, creation of learning materials, assuring accessibility and ADA compliance, and faculty development) were more expensive than face-to-face instruction.

⁵ Although there has been a decrease in distance education since the COVID spike of 2020/2021,

distance education enrollments remain higher than prior to the pandemic.

5. **Distance education's total price (tuition and fees) is beginning to align with face-to-face instruction.** A little over 34% reported that the total price of distance education was the same as that of face-to-face instruction. Still, more than a third (39.6%) reported that the total price of distance education was higher, and almost a quarter (24%) said that it was less than face-to-face. When compared to 2016, this indicates that we are beginning to see an alignment with face-to-face instruction. In 2016, 54.2% indicated that the price of distance education was greater, 26.8% the same, and only 19% indicated that it was less than face-to-face instruction.
6. **Distance education does not result in significant cost savings.** Across the 21 categories in 2024's survey, there were no categories where the majority of distance education courses cost less than face-to-face instruction. In fact, the highest percentage indicating that distance education cost less was a mere 9.45% in the delivery of course content.
7. **Price continues to be disconnected from cost.** There was virtually no movement between 2016 and 2024 in this area. In 2016, 10.6% of respondents indicated that the price of their distance education courses was connected to their cost, while only 10.9% of 2024 respondents reported a connection between price and cost.

As distance education plays an increasingly significant role in higher education, it is critical that we better understand the associated cost factors and their impact on the pricing of distance education. Many administrators and legislators endure the erroneous belief that distance education is cheaper to produce than face-to-face instruction when, in actuality, it is the inverse.

As institutions turn to distance education to recruit more students and improve student access regardless of time and place, better understanding the costs of those distance education courses is critical. As one respondent wrote, "It is a misunderstanding to think of online classes as a commodity or product that can be 'served' to limitless numbers of students once developed. (We call this the 'just push play' myth.) Educating one student online, through regular and substantive interaction, requires just as much instructor effort and time as educating one student in the classroom."

Appendix A: The Survey Instrument

Thank you for agreeing to take the survey. Your response will help us better understand and communicate the relationship between the cost and price of distance education. We believe this is particularly important as institutions, legislators, and policymakers all try to improve higher education access and affordability.

A quick note on definitions for the purpose of this study.

- "Price" - This is the amount of money that is charged to a student for instruction. The components are tuition and fees. In the questions, we will be clear as to which "price" component (tuition, fees, or total price) is being queried.
- "Cost" - This is the amount of money that is spent by the institution to create, offer, and support instruction.
- "Distance Education" - When thinking of "distance education," we are using the IPEDS definition of "A course in which the instructional content is delivered exclusively via distance education. Requirements for coming to campus for orientation, testing, or academic support services do not exclude a course from being classified as distance education."

Please note: If you wish to go back to a previous page within the survey, please use the "Previous" and "Next" buttons at the bottom of the page. Using the "Back" button in your browser may force you to exit the survey, and you may lose any information that you

Demographics

1. Which best describes your institution?
 - public
 - private not-for-profit
 - private for-profit
2. Which best describes your type of institution (we used the Carnegie system for these categories):
 - Associate's College (Institutions at which the highest level of degree awarded is an associate's degree).
 - Baccalaureate/Associate's College (Includes four-year colleges, by virtue of having at least one baccalaureate degree program, that conferred more than 50% of degrees at the associate's level).
 - Baccalaureate College (Includes institutions where baccalaureate or higher degrees represent at least 50% of all degrees but where fewer than 50 master's degrees or 20 doctoral degrees were awarded during the last year).
 - Master's Colleges and Universities (Generally includes institutions that awarded at least 50 master's degrees and fewer than 20 doctoral degrees during the last year).

- Doctorate-granting Universities (Includes institutions that awarded at least 20 research/scholarship doctoral degrees during the last year or institutions with below 20 research/scholarship doctoral degrees that awarded at least 30 professional practice doctoral degrees in at least 2 programs during the last year).
 - Special Focus Institutions (Institutions where a high concentration of degrees is in a single field or set of related fields).
1. What is the size of your institution in terms of student full-time equivalency (FTE) enrollments?
 - Less than 5,000 FTE
 - 5,000 - 10,000 FTE
 - 10,001 - 20,000 FTE
 - Greater than 20,000 FTE
 2. Is your institution a distance-only (you have no face-to-face courses) institution?
 - Yes
 - No
 3. At my institution, the funding for distance education courses:
 - Is self-supporting. (The course receives little or no support from the state or the central campus budget).
 - Is the same for all courses. (Distance courses receive the same support as any other course at my institution).
 - A mix of both of the above. (The course may be self-supported or may receive central support depending on factors such as which institutional unit offers the course).
 - I don't know.
 - Other (please describe).

Responsibility and Policies for Setting Tuition and Fee Rates for Distance Courses

4. Are there state, system, or institutions policies in place that define **tuition** setting for distance education courses that is different than face-to-face course?
 - Yes
 - No
 - I don't know

5. Which of the following entities are part of the approval process in making the pricing decision for the **tuition** rate for distance courses? Choose all that apply.
- Legislature
 - Governing, coordinating, or other oversight board
 - Central institution administration
 - Each college/school or department
 - I don't know
 - Other (please specify)
6. Are there state, system, or institutions policies in place that define **fee** setting for distance education courses that is different than face-to-face course?
- Yes
 - No
 - I don't know
7. Which of the following entities have a say in making the pricing decision for **fee** rates for distance courses? Choose all that apply.
- Legislature
 - Governing, coordinating, or other oversight board
 - Central institution administration
 - Each college/school or department
 - Student vote
 - I don't know
 - Other (please specify)
8. Are distance education courses priced the same in different units (colleges, departments) across the institution?
- Yes
 - No
 - I don't know

9. Why does the price for distance courses differ across the institution? Select all that apply:

- Some programs charge different rates based on the subject and course level.
- Self-supported units (such as continuing education) charge their own rates.
- Some programs charge what the market will bear.
- Competency-based education or other innovative programs have their own pricing scale.
- I don't know
- Other (please explain).

Difference in Distance Education Tuition, Fees, and Total Price

The following questions compare the tuition, fees, and total **price** for face-to-face and distance courses. We realize that these prices may vary depending on the unit (department or college) offering it, discipline, program, or course. We want you to answer with a course in mind that, in your opinion, best generally reflects your institution's practices.

Please select the course that YOU think is best representative of distance courses at your institution. You could choose the program with the largest distance enrollment, a program that is representative of common practices across the institution, or use your own criteria as what you feel best typifies practices at your institution. A distance education course that is representative of common distance education cost and price practices across your institution.

We ask you to respond for a semester three-credit hour course. If your institution uses competency-based education, quarter hours, or other academic measure, do your best to convert the prices.

If you charge a different tuition for students who are not residents of your state, use the price for a student who is resident in your state.

10. Which course did you choose?

11. For the course that you selected, how much more or less are distance students charged **in tuition** (not including student or distance fees) for a three-credit hour course?

- Over \$250 more
- \$101-\$250 more
- \$1-\$100 more
- \$0 - No difference in tuition
- \$1-\$100 less
- \$101-\$250 less
- Over \$250 less
- I don't know

12. For the course that you selected, how much more or less are distance students charged **in fees** (count all fees beyond tuition) for a three-credit hour course?

- Over \$250 more
- \$101-\$250 more
- \$1-\$100 more
- \$0 - No difference in fees
- \$1-\$100 less
- \$101-\$250 less
- Over \$250 less
- I don't know

13. Do students enrolled completely at a distance pay the same mandatory fees assessed to on-campus students, such as fees for health, athletics, building construction bonds, and parking?

- Yes
- No
- I don't know
- Sometimes (please explain)

14. Now, let's add tuition and fees together into a "**total price.**" For the course that you selected, how much more or less are distance students charged in **total price** (tuition plus all fees) for a three-credit hour course?

- Over \$250 more
- \$101-\$250 more
- \$1-\$100 more
- \$0 - No difference in fees
- \$1-\$100 less
- \$101-\$250 less
- Over \$250 less
- I don't know

Distance Education Costs

Now, let's turn our attention to "**cost**," which we define as: "the amount of money that is spent by the institution to create, offer, and support instruction." We understand that you probably do not have exact cost figures for each course and you will not need them. Instead, please use your best understanding of costs in the context of the course that you chose for this survey.

You will first be asked about relative costs for several instructional components and will be given an opportunity to openly comment on the relative costs of those components. Don't worry about "indirect costs" (building, electricity, maintenance, parking) and focus on the "direct costs" (faculty, instructional design, technology, software, assessments, etc.) as best you can.

Again, we are not asking for exact costs, just your educated impression.

1. Compared to a similar face-to-face course, distance education costs in <u>preparing the course</u> are...						
	Much less (more than 25% less)	Slightly less (1-24% less)	The same	Slightly more (1-24% more)	Much more (25% and greater)	I don't know
PREPARING FOR THE COURSE						
Accreditation						
Regulatory costs for out-of-state students, such as state authorization or professional licensure costs.						
Technologies/software (LMS, SIS, teaching tools)						
Admissions and enrollment, including student identity verification and marketing						
Compared to a similar face-to-face course, distance education costs in <u>teaching the course</u> are...						
TEACHING THE COURSE						

Instructional design of course						
Create learning materials						
Select/obtain/purchase learning materials						
Assuring accessibility and ADA compliance						
Delivery of course content by faculty/other means						
Facilitation of group activities						
Compared to a similar face-to-face course, distance education costs in <u>assessing student learning</u> in the course are...						
ASSESSING STUDENT LEARNING IN THE COURSE						
Design/select/purchase assessments						
Administer/proctor assessments						
Verify student identity for assessments						
Evaluate/grade assessments						
4. Compared to a similar face-to-face course, distance education costs in <u>supporting students and faculty</u> for the course are...						
SUPPORTING STUDENTS AND FACULTY						
Student orientation						
Faculty training that is not provided to non-distance education faculty						
Library and other distance learning resources						
Tutoring and academic course assistance						
Retention services						
Help desk for technical support						
Academic advising						

Please provide any comments or insights on the relative **costs** for distance vs. face-to-face courses either generally or for any specific categories in the previous question.

Policymakers (college administrators, board members, legislators, governors) sometimes feel that the **cost** of distance education should be less than for equivalent face-to-face courses and programs. What would you say to those policymakers?

Final Questions

17. Are you taking any actions to reduce the **price** of instructional materials for distance education courses that you are **not** taking for face-to-face courses?

- No
- Yes
- I don't know
- (please describe how)

Is the **pricing** of your distance courses directly dependent on the cost to produce and offer those courses? (For example, for many institutions tuition is based on incremental increases to historic rates and is NOT directly tied to the actual cost of producing and offering the course.)

- No
- Yes
- I don't know
- (please describe how)

18. What else do we need to know about how tuition and fees are set for distance students enrolled in your institution?

19. Can we contact you for follow-up questions? All responses will be kept confidential.

Appendix B: Detailed Answers for Course Cost Comparisons

Respondents were asked to choose a representative course and compare the costs associated with distance delivery of that course to the costs associated with face-to-face delivery across four categories and 21 components.

INSTRUCTIONAL COMPONENT BY GROUP	Much Less	Slightly Less	The Same	Slightly More	Much More	Don't Know
PREPARING THE COURSE						
Accreditation	1.65%	0%	67.77%	19.83%	5.79%	4.96%
Regulatory costs for out-of-state students, such as state authorization or professional licensure costs	0.79%	0%	32.28%	48.03%	12.60%	6.30%
Technologies/software (LMS, SIS, teaching tools)	2.34%	0.78%	46.09%	31.25%	17.97%	1.56%
Admissions and enrollment, including student identity verification and marketing	0.78%	2.34%	60.16%	23.44%	9.38%	3.91%
INSTRUCTIONAL COMPONENT BY GROUP	Much Less	Slightly Less	The Same	Slightly More	Much More	Don't Know
TEACHING THE COURSE						
Instructional design of course	2.36%	0%	23.62%	37.80%	33.86%	2.36%
Create learning materials	2.38%	0.79%	32.54%	42.86%	19.05%	2.38%
Select/obtain/purchase learning materials	0.79%	3.15%	71.65%	18.11%	3.94%	2.36%
Assuring accessibility and ADA compliance	1.57%	0%	40.94%	40.16%	15.75%	1.57%
Delivery of course content by faculty/other means	5.51%	3.94%	72.44%	14.17%	1.57%	2.36%
Facilitation of group activities	3.94%	4.72%	70.87%	14.96%	1.57%	3.94%

INSTRUCTIONAL COMPONENT BY GROUP	Much Less	Slightly Less	The Same	Slightly More	Much More	Don't Know
ASSESSING STUDENT LEARNING IN THE COURSE						
Design/select/purchase assessments	1.60%	0%	81.60%	10.40%	2.40%	4.00%
Administer/proctor assessments	2.40%	0.80%	52.00%	34.40%	8.00%	2.40%
Verify student identity for assessments	1.60%	0%	60.80%	28.00%	6.40%	3.20%
Evaluate/grade assessments	3.20%	0.80%	85.60%	6.40%	0.80%	3.20%
INSTRUCTIONAL COMPONENT BY GROUP	Much Less	Slightly Less	The Same	Slightly More	Much More	Don't Know
SUPPORTING STUDENTS AND FACULTY						
Student orientation	5.51%	14.17%	59.06%	17.32%	2.36%	1.57%
Faculty training that is not provided to non-distance education faculty	1.57%	2.36%	31.50%	45.67%	17.32%	1.57%
Library and other distance learning resources	0.79%	3.94%	77.95%	11.81%	3.94%	1.57%
Tutoring and academic course assistance	1.57%	5.51%	62.20%	21.26%	7.87%	1.57%
Retention services	3.94%	4.72%	69.29%	15.75%	4.72%	1.57%
Help desk for technical support	1.57%	1.57%	70.80%	22.05%	3.15%	1.57%
Academic advising	2.36%	3.15%	82.68%	7.87%	2.36%	1.57%



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