



# The University of Illinois Global Campus Initiative

## Final Report

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UNIVERSITY OF ILLINOIS  
CHICAGO • SPRINGFIELD • URBANA-CHAMPAIGN

## Executive Summary

U.S. post-secondary education is in the midst of a sea change. The public is demanding greater access to higher education at the same time taxpayer support for public universities, student financial aid, and basic research has weakened and accountability has increased. Competition for top graduate students is emerging from Europe and third-world giants like India and China who are investing heavily in their universities. And, for-profit institutions are growing rapidly by offering quality degree and certificate programs in innovative, responsive formats, often through the convenience of the Internet.

Online education is now a major industry. In the United States during 2005 approximately 3 million students took at least 1 online course compared to 17 million students enrolled in all of higher education. Total online enrollments are growing 23%/year and now generate an estimated \$5 billion/year in revenue (2005). Soon, one in five students will be completing their college degrees online. The dominant institutions in this field are the University of Phoenix (130,000 online students) and the University of Maryland University College (50,000 online students). By comparison, the University of Illinois has a small (6,900 students) but respected presence in the online education market.

The Global Campus Initiative emerged out of the strategic planning activities initiated by President White. The Initiative explored the merits and feasibility of launching a new University of Illinois entity to offer degree, certificate, and outreach programs globally on a large scale, primarily via the Internet. The establishment of the Global Campus will enable the University to:

- Provide greater access to higher education for nontraditional learners.
- Serve more students and meet the growing demand for online learning worldwide.
- Generate new revenues for the benefit of University academic activities.
- Promote the University as a leader in educational innovation, quality, service and access.

While some have questioned the value of online education, many academic leaders now believe that online instruction is already equal to or superior to face-to-face instruction. The most widely used online learning environment is instructor-led, resource-rich, highly interactive and delivered within a traditional or accelerated semester schedule. Because of its freedom from time and place constraints, its reach and its connectivity, online education can engage faculty and students in new interactions with content, with each other and with the world outside the classroom. It builds a culture of lifelong learning and fortifies the skills that people need to thrive in today's information society. Considering the attractiveness, value and rapid growth of online education, the question is no longer whether the University can afford to launch the Global Campus, but whether it can afford not to.

Common factors and practices that contribute to success for online universities were identified by visiting leading online institutions and by examining several failed online initiatives. The typical online student is a working adult, 20-55 years of age, who is balancing the demands of career, family, and education. Online students seek flexibility, convenience, service, accreditation, quality, reputation, and value. These customers have a number of online options and they can easily switch between providers if an institution does not meet their needs. In the online education marketplace, there is no room for programs that are not based upon real needs and interests, and there is no tolerance for poor customer service. Successful online providers offer quality programs and market them aggressively, offer excellent instruction, provide exemplary student support services, offer courses in accelerated formats (5-8 weeks), and rely on robust technical infrastructures and part-time "practitioner" faculty to rapidly scale (up and down) their academic programs. The Global Campus will embrace and reflect these successful characteristics.

The mix of academic programs offered by the Global Campus will reflect student demand and societal need. It will offer high-quality programs that meet the needs of nontraditional students, businesses, professional organizations and public sector agencies. Offerings will include fully accredited baccalaureate and master's degree programs and certificate and professional development programs. The Global Campus will partner with U of I colleges and with other selected educational institutions to develop and deliver programs in the areas of greatest demand (e.g., baccalaureate completion, business, nursing, education). Eventually, the Global Campus will offer educational programs under its own auspices as an accredited institution within the University of Illinois System. The programs will be differentiated by leveraging the quality associated with the U of I brand in all marketing activities. All students who meet the admission criteria will be admitted.

The Global Campus must be operated with the rigorous business discipline essential for being competitive in the marketplace. It is recommended that the Global Campus be organized as a limited liability company/university related organization governed by a 7-member Board of Managers (BOM) appointed by the Board of Trustees. The President of the University would chair the BOM. Membership on the BOM also would include two U of I trustees, four external business and higher education experts and one non-voting U of I faculty representative.

Within five years, the Global Campus is projected to enroll more than 6700 students in 11 bachelor's, 11 master's, and 6 certificate programs. An aggressive program development schedule was adopted in planning to generate revenue beginning in the second year. If the programming and enrollment goals are achieved, at the end of the fifth year, the start-up costs will be fully recovered and income will begin to exceed costs. Sensitivity analysis of the financial model confirms what was learned from the for-profit online universities. Marketing is crucial to attracting an adequate numbers of students. Exemplary services coupled with high quality academic programs and excellent teaching ensures that students graduate. Both factors strongly influence profitability.

The major challenges for the Global Campus include:

- Making the huge cultural shift essential for success.
- Hiring the right people and motivating them.
- Picking the right initial programs, differentiating them from the competition, and marketing them effectively.
- Developing a user-friendly scalable technology infrastructure for delivering course content and efficiently serving students and staff.

Addressing these challenges will require sound academic planning, cooperation and support of the University's faculty, a comprehensive financial profile, adequate start-up funding, capable experienced leadership, and rigorous execution of the academic and business aspects of the Global Campus.