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From the issue dated April 3, 2009

The Global Campus Meets a World of Competition

Online-education venture at the U. of Illinois tries to distinguish itself from other distance-learning programs

By DAN TURNER

The University of Illinois Global Campus, a multimillion-dollar distance-learning project, is up and running. For its March-April 2009 term, it has enrolled 366 students.

Getting to this point, though, has looked a little like the dot-com start-up bubble of the late 1990s. Hundreds of Internet-related companies were launched with overly ambitious goals, only to later face cutbacks and other struggles to stay alive. Most crashed anyway. Some observers now say the Global Campus must try to avoid the same fate of churning through a large initial investment while attracting too few customers.

The project, planned about four years ago, was designed to complement existing online programs offered by individual Illinois-system campuses at Urbana-Champaign, Springfield, and Chicago. Those programs primarily serve current students as an addition to their on-campus course work. The Global Campus, in contrast, seeks to reach the adult learner off campus, who is often seeking a more focused, career-related certification or degree, such as completing a B.S. in nursing.

Online education has proved popular with institutions, students, and employers across the United States, with opportunities and enrollment growing. According to the Sloan Consortium, a nonprofit organization focused on online learning, the fall 2007 term saw 3.9 million students enroll in at least one online course, many at for-profit institutions like DeVry University and the University of Phoenix.

That growing popularity, says David J. Gray, chief executive of UMassOnline, the online-learning arm of the University of Massachusetts system, is part of the Global Campus's problem. The Illinois program, he says, is "fighting uphill in a market that's a lot more uphill."

The slope didn't seem as steep in the fall of 2005, when Chester S. Gardner, then the university's vice president for academic affairs, led a committee to investigate ideas for the future of online education at Illinois. That resulted in a proposal and business plan presented to the Board of Trustees the next year. The system's "existing online programs were not structured for adult learners," says Mr. Gardner, who is now leading the Global Campus.

The program was formally established in March 2007. The university initially financed it with \$1.5-million of general revenue. The program started teaching its first 12 students in 2008.

Now, Mr. Gardner says, the Global Campus has a budget of approximately \$9.4-million for the 2008-9 fiscal year. Approximately \$1-million of that comes from the state, he says, and the remaining money comes from various grants, tuition, and loans from the Board of Trustees.

The trustees' investment has produced heavy involvement, Mr. Gardner says. "They're acting like venture capitalists," he notes, adding that "they're certainly doing their job of holding my feet to the fire."

This year the 366 Global Campus students are enrolled in five different degree and four different certificate programs; Mr. Gardner expects the number of students to rise to around 500 by May.

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Those numbers put the program on a much slower track than earlier, sunnier estimates of 9,000 students enrolled by 2012. Mr. Gardner says the 9,000 figure came from his 2007 budget request to the trustees and was not precise. "We had no direct experience upon which to base our projections," he says.

Now, Mr. Gardner says, he has more realistic figures. Once 1,650 students are enrolled, the monthly income from tuition will equal monthly expenses, on average. His current projections show the Global Campus reaching that point of stability by the 2011 fiscal year.

But the competition to enroll students has been tough. The Global Campus initially offered 16-week courses, patterned on the Illinois system's residential-education schedules. But many adult students turned to online for-profit programs instead, because their class schedules were more flexible, says Mr. Gardner. "These institutions are offering programs that the students want, structured in ways friendly to them," he notes. So the Global Campus is now moving away from the longer course blocks and will offer eight-week-long courses.

The program also needs to raise its student numbers before it can expand its content and structure, which puts the program into a sort of chicken-and-egg situation. "How many students we enroll depends on how many degree programs we can offer," Mr. Gardner says. And offering more programs depends on the Global Campus's getting accreditation from the regional Higher Learning Commission, which has authority over institutions in 19 states, including Illinois. (Current degree offerings come through University of Illinois campuses, which already are accredited.)

Karen J. Solomon, associate director of accreditation at the commission, confirmed that representatives of the Global Campus had been in contact with her group. "We just had the initial conversation," Ms. Solomon says. "They have no status with the commission yet. They're just starting on the eligibility process." Ms. Solomon noted that this normally takes three to five years.

To move the process along, the university's Board of Trustees, at a March 11 meeting, approved two items on the commission's accreditation checklist. One was a job description for the chief executive, and the second was the establishment of an academic policy council.

At the same meeting, however, what Mr. Gardner describes as a "small group of faculty leaders" expressed concerns that faculty members had not been sufficiently involved in the board's moves to gain accreditation. The president of the university system, B. Joseph White, asked the faculty group to prepare an alternative plan, which they are working on.

Even if the Global Campus achieves fully accredited status and offers more expanded degree programs, it will still be a distinct entity, apart from both residential education and the existing Illinois campus distance-learning programs.

This makes Mr. Gray, of UMassOnline, uneasy about the future of the Illinois venture.

"The Global Campus has chosen a model that puts it in seeming competition with campus online efforts," he says. He stressed that "every state, every university is different, and the context needs to be respected." But, he adds, "UMassOnline made the decision early on to have the campuses be the engine for courses" rather than set up a separate system for distance learning.

Mr. Gray also notes that timing may be an issue. UMassOnline started in 2001 and now enrolls nearly 34,000 students, most of them older than 25. But, he says, "Global Campus launched at a time when the market is a lot more mature. Earlier entrants might not have had such a problem growing."

Mr. Gardner says the university and the Global Campus program are well aware of these challenges, and both of them "are in this for the long term."

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