

To: Tom Insko, President, EOU

From: Ad Hoc OPM Committee, EOU Faculty Senate

Date: March 20, 2018

RE: Information Requested on Potential Partnership with Pearson Online Learning

On January 17 and 18, 2018, EOU faculty in each of the colleges were notified by David Vande Pol, EOU's new Director of Regional Outreach and Innovation, that the University was exploring a partnership with a for-profit corporation to provide online program management (OPM) services, including marketing, recruitment, retention, and instructional design as well as other possible add-on services. The primary goals of such a partnership would be to help EOU increase its visibility and online enrollment (from 800 FTE to 5000 by 2029) by entering into a revenue-sharing agreement in which the OPM would make a significant upfront investment in marketing and recruitment. Though the terms of such an agreement have yet to be negotiated, it was reported that typical contracts with OPMs are for ten years, with a minimum of 50% of new student tuition dollars being paid to the corporation depending on the scope of services provided.

According to Mr. Vande Pol, the decision-making team working on this project issued a request for proposals in August, 2017, and received two responses, one from Learning House and one from Pearson Online Learning. After on-site visits to both Learning House and Pearson during fall term 2017, he said, President Insko had decided to move forward with discussions with Pearson, whose representatives would be on campus to meet with programs with existing online majors the following week. Faculty were told that the president would be making a recommendation to the Board of Trustees in May 2018 on whether to pursue the partnership; that the campus was now entering into a "dating" period in which both EOU and Pearson would be doing "due diligence" in advance of their possible "marriage"; and that Mr. Vande Pol was strongly advocating that this relationship was the best path forward for EOU.

Given the significant potential impacts such a partnership would have on all parts of the university, the EOU Faculty Senate formed an ad hoc committee at its next scheduled meeting to help ensure that all campus constituents have access to the information necessary to evaluate the merits of such a partnership and participate meaningfully in the decision-making process. As a first step, the committee solicited questions and information needs via email from faculty, staff, and students. This included providing opportunities for EOU employees concerned about potential retaliation to communicate their questions and concerns anonymously. These questions have been distilled into a set of categories of information requests (below).

As it has been described by the EOU administration to date, the proposed partnership with Pearson would represent a transformational change for EOU, over a very short time span in the

life of an 89 year-old institution. Faculty would obviously play a vital role in any such transformation, yet have been afforded at best a delayed and compressed time period to undertake our own due diligence. The Senate in particular seeks more information because the track record of OPMs is mixed, the potential for change is historic, and faculty have a principal stake in any decision to engage in a long-term contract with a for-profit corporation designed to rapidly expand enrollment. In any case, the following requests for information address the concerns that the committee believes are essential to a thorough evaluation leading to such a momentous decision point.

It is important to recognize that as a body faculty are uniquely suited to add analytic value to this decision making process, and we all have a clear stake in a robust future. A clearer understanding of how we arrived rather suddenly at this particular option and this particular contractor, and how the potential benefits *and* risks of such an organizational transformation were debated, would certainly aid and expedite that process. It is our hope that, though the list of requests may seem considerable, this research has been conducted and most of the responses relatively easy to provide. The committee thus respectfully requests that the president and provost provide materials and information pertaining to the following categories, ideally by Monday, April 2, 2018.

1. Future Vision for EOU

- a. *Rationale*: EOU's mission emphasizes our beautiful setting, small size, and personal attention, as well as partnerships, but not with for-profit entities. Many are concerned that only the most optimistic scenario of a partnership with Pearson has received serious attention.
- b. *Information requests*: General description of the discussions and debates among the decision makers about the effects of an unprecedented nationwide expansion of scale on institutional traditions that students--both online and on campus--tell us they value.
- c. Analyses undertaken of the organizational and operational challenges decision makers have identified and anticipated in some future alignment of expanded online and on campus operations
- d. How does this partnership connect to EOU's recent designation as Oregon's rural university? To what extent did the decision-making team consider the effect of outsourcing university operations and directing so much revenue outside our region--rather than using this opportunity to create jobs and capacity, and contribute to the regional economy?

2. Decision-Making Process

- a. A *clear timeline* of how the University arrived at this current point, moving into the future up to the time of the vote of the Board of Trustees, scheduled for its May meeting. There is a relatively clear consensus among faculty that opportunities for input thus far have been carefully controlled and limited to one-hour, Friday afternoon Q & A sessions. In these last two months before the decision point, can

you clearly lay out the formal and informal means by which faculty can not only provide comments, but actively participate in deliberations?

b. Involvement of key stakeholders (faculty, students, staff, community). Four issues we would like to better understand:

- i. Why was an RFP for a proposal of this scope issued for such a short timeline (August 31 issue date; notice of interest date Sept. 11; proposals due Sept. 21), and with no opportunity for faculty involvement?
- ii. Why were key stakeholders excluded from deliberations until well after (at least from what we know about the timeline at this point) a final decision about bringing a contractor to campus had been made?
- iii. Without the involvement of key stakeholders in the decision making process, how have the decision makers anticipated their response or the impacts a public/private partnership might have? For instance, all *students*--past, present and future--have a stake in the University's reputation as the credential affects their marketability in the professional workplace. *Administrative staffing* levels may be adjusted downward if for instance Pearson assumes more recruiting or marketing responsibilities. *Regional centers*--a unique feature of EOU's system--may see major transformations if the contractor assumes more in-state recruiting duties. *Faculty* clearly have a stake, both those academic programs with online majors, and those with little inclination or ability to move with integrity into the online environment. Given the past practice of including a diverse team of stakeholders in reviewing partnerships with other outside contractors (Sodexo, Barnes and Noble, etc.), what was the rationale for such a limited team in this case? What objections would the university have to engaging the Faculty Senate in nominating faculty from each college to join the decision-making team and participate formally in deliberations--especially given the potentially significant impacts on academics?
- iv. Given Mr. Vande Pol's prior employment negotiating such contracts for Pearson, what steps were taken to ensure the RFP process was fair and unbiased; to address potential ethical conflicts; and to address the public appearance of impropriety?

c. The contract

- i. Who will negotiate on the University's behalf?
- ii. What are the key elements of the contract (e.g., payment arrangements, investment on contractor's behalf, time whether components--tutoring, instructional design, student 'coaching', marketing--are optional or bundled)?
- iii. How will faculty, staff and students have opportunities to provide substantive input during the contract negotiation period?

- iv. How will draft versions of the contract be shared with the campus community for necessary feedback and input?
 - v. How much flexibility exists in negotiating a contract and the bundling of services?
 - vi. What would constitute a breach of contract by EOU? By Pearson?
 - vii. What kinds of escape clauses are typical in such contracts?
3. Analyses conducted in the process of narrowing options and contractors
- a. Information and research conducted by decision makers and used in making the determination to move forward with an OPM, Pearson
 - b. Research conducted on each of the other viable non-OPM options studied by the decision making team for addressing recruitment, enrollment and retention issues
 - c. Analytic comparisons with a 'no-action' option
4. Analyses performed on anticipated impacts (either by the decision making team or via secondary data from other comparator institutions currently under contract with an OPM)
- a. Financial
 - i. How are expansion costs to be borne?
 - ii. Would the contractor have recruiting rights inside the state of Oregon (creating a scenario where the University was sharing tuition revenue for students who would have likely been recruited by regional center staff)?
 - iii. How did the decision making team arrive at the online scale expansion from 800 to 5000 FTE over a 10-year period? When this goal was set for the strategic plan, it was described as arbitrary to some extent. What analysis has gone into the feasibility of actually achieving this number? What analysis has gone into the potential impacts and institutional capacity to serve approximately 8000 - 12,000 additional individual students (part- and full-time) online?
 - iv. Would the contractor also receive a percentage of state reimbursement for graduation rates?
 - v. Copies of any financial modeling that has been done to determine how instructional, student support, and other institutional costs would be covered under a revenue-sharing agreement in which a sizable portion of tuition dollars would be paid out to an OPM
 - b. Academic
 - i. Anticipated or potential changes to ratio of regular/tenure-line faculty to adjunct
 - ii. Anticipated or potential impacts to on-campus programs and enrollments
 - iii. Does the contractor have a record of success working with universities that have a strong liberal arts component?
 - iv. What evidence does the contractor have of working successfully with academically underprepared undergraduates, students with a wide range

of learning disabilities, English language learners, and undergraduates meeting EOU's admissions threshold?

- v. What qualifications do members of the decision-making team have for evaluating Pearson's instructional design services? Is there anyone on the decision-making team who has ever taught an online class? If so, how recently and in what disciplines?
- vi. What analysis has been done of Pearson's retention and student support services? What evidence has been provided of their quality and/or value? What would EOU be paying for, in other words, and what qualifications do Pearson's employees have to do this work? Which services would duplicate what is currently done entirely in-house?
- vii. Planned strategies for investing in on-campus programs with revenue generated from online operations. Has any modeling been done?
- viii. Have plans for masters-level programs been considered? If so, which ones?
- ix. Potential impacts on on-campus advising services and professional staff
- x. Potential impacts on ancillary services (TRiO, DSO, tutoring services)
- xi. Potential impacts on adjunct instructor recruitment, vetting, and retention.
- xii. Potential impacts on adjunct compensation, including impacts on class caps, which currently help adjuncts determine whether it's financially worth it to teach an online course.
- xiii. What student data would Pearson have access to?
- xiv. What faculty data would Pearson have access to?
- xv. What kinds of learning analytics would a contract for retention services be based on?
- xvi. Pearson would appear to have an incentive to recruit students better suited to the on-campus environment to take classes online. How would that be mitigated?
- xvii. Potential impacts on service course needs, including increased demands for developmental math, writing, and general education coursework online.
- xviii. Potential impacts on undergraduate tutoring services

c. Institutional

- i. What *evidence* exists to support the premise that rapid expansion in online operations will benefit on campus students and the regional mission?
- ii. EOU possesses considerable organizational capital represented by regional centers (a public investment going back three decades)--what studies and discussions have transpired re: how a proposed OPM partnership might affect these valuable resources?
- iii. Campus staffing levels--how affected by proposed suite of services contractor offers (tutoring, support/coaching, marketing/recruiting, HR)?

- iv. Growth management--500% over 10 years--What plans have been made to manage an unprecedented rapid expansion?
- v. Institutional reputation--Has the decision making team thought through the possible change to a mostly online University, and how that might affect recruiting in the region and state, and the value of an EOU degree on the market?

5. Concerns about Pearson's track record

- a. Which comparator institutions contracting with OPMs were contacted? Which that had contracted with Pearson?
- b. What has EOU learned about Pearson's past practices and unsuccessful partnerships with universities?
- c. Has EOU confirmed some of the premises underlying the promise of growth through expansion online with an OPM (e.g., that there are 36 million people in the US with college credit and possible interest in undergraduate degree completion)?
- d. How does Pearson engage in partnerships with smaller institutions that lack the visibility or marketing clout of an Arizona State? In other words, what is EOU's marketable niche?
- e. Has EOU requested any evidence from Pearson of student satisfaction? Faculty satisfaction?
- f. Pearson's sales team acknowledged that the retention data they provided during their presentation did not come from comparator institutions or comparable student populations. What evidence has EOU requested of Pearson's success recruiting and retaining undergraduate students meeting EOU's admissions profile?
- g. Pearson and other OPMs have actively re-positioned themselves to step into the public higher education market following increased Congressional scrutiny of predatory recruitment practices in the for-profit sector. What evidence has Pearson provided that they do not use the same predatory recruitment practices? What safeguards have they put in place, and what level of oversight will EOU have?
- h. What is Pearson's position on gainful employment legislation? What practices have they put in place to minimize the risk to partner institutions?