

Designing a Professional and Continuing Education Organization

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Background

The purpose of this paper is to outline and explore major considerations when designing a robust continuing and professional education program within a university setting. I wrote this for another university, but some of this information and analysis may pertain to UAA. I was asked by the UA president to expand our service to non-degree students and UAA may receive funding to design a more centralized program.

UAA is located in Anchorage, the largest business and economic center in the state. Working professionals need to continually update their knowledge, skills, and abilities to be effective in their current positions, to be able to progress in their careers, or to transition to a different career. Employers need to have a well-trained workforce and often use professional development opportunities as a retention device for their employees. Given this, UAA probably has potential to expand programs in the area of non-degree continuing and professional education (CPE). The working adult continuing and professional development market is different from adult degree-seeking students. This market is also distinct from students in career and technical education programs. UAA currently has some robust CPE programs, but there may be greater potential to combine forces, share systems and services, establish a strong consistent brand in the marketplace, expand our portion of the market, and generate revenue.

In approaching this paper, I draw deeply on past experience as dean UCLA Extension (2006-2012). At the time, UCLA Extension was one of the top five continuing and professional education (CPE) programs in the country. During my tenure, I was able to redesign and focus the academic program, rebrand the organization to more clearly focus on the adult working professional (most of whom already had a degree), develop public/private partnerships, share revenue with academic units on the UCLA campus, and increase net revenue for UCLA Extension by over 200%. When I departed, UCLA served 50,000 individuals per year and had gross revenue approaching \$100 million per year (no degree programs—all non-degree offerings).

In 2014-2018, I served as chancellor of University of Wisconsin Colleges and University of Wisconsin-Extension. In this role, I oversaw a number of community-connected programs, including online professional degree programs and the UW Flexible Option program, one of the nation's first providers of direct assessment competency-based education approved by the US Department of Education. I served on the board of the University Professional and Continuing Education Association and have published and presented on various aspects of continuing and professional education earlier in my career.

A principal doctrine of the continuing and professional education world is that such programs are highly regional. Successful programs in one part of the country do not necessarily translate to other parts. Therefore, I do not advocate duplicating the programs at UCLA or UW. However, because of my experiences there, this report

provides a number of specific examples from these two institutions, and other programs, that may be helpful.

Terminology pertaining to non-degree education is somewhat fluid. For the purposes of this paper, I use the term “continuing and professional education” (CPE) to refer to the broad category of non-degree education targeted mainly at adult working students. I frequently separate “executive education” from the broader CPE category because of its unique characteristics and market. I use the term “traditional academic unit” (TMU) to refer to a college, school, or department within a university whose principal mission is to provide degrees and that mainly serve traditional-aged students.

CONCEPTS AND CONSIDERATIONS

Major markets for CPE programs

CPE is a broad category. The following list captures major types of CPE programs, defined by content or market.

- Workforce development programs
 - Local, entry level—contracting with Workforce Investment Boards under federal contracts
 - Requires federal contract expertise
 - Community colleges are often the provider of choice for these programs
 - (This is largely handled through TVEP at UAA)
- Mandatory continuing education units (CEU) programs
 - Programs necessary for licensure in a wide range of disciplines
 - Requires approval by state board or professional associations
 - Frequently commodity-priced
- Open enrollment career-oriented continuing education courses
 - Targeted to working professionals
 - Paid by individual, possibly reimbursed by employer, or paid directly by employer
 - Meets market desire to advance in a given field
 - Meets market desire to change career direction
 - Meets market desire to supplement a degree
 - Lower level courses tend to be commodity priced and/or are offered by community colleges
 - Course sequences and certificate programs are perceived as higher value
- Large conferences
 - Usually open enrollment
 - Focus on distinct areas of expertise (e.g. UCLA Extension offered a national Restaurant Conference on an annual basis for the large corporate sector of the restaurant industry)

- Enrichment classes
 - Art, creative writing, language for travel, learning in retirement, travel programs, etc.
 - Nice service, part of outreach, but these do not make money
- Custom contract programs with specific companies, agencies, organizations
 - Domestic and international
 - Requires an experienced business-to-business sales staff
 - Requires rapid proposal development and review
- International programs
 - Recruiting international students into course sequences or certificate programs
 - Masters replacement at an affordable cost
 - There is significant overhead in processing visas, reporting, etc.
- Special programs for alumni
 - Usually loss leaders used for donor engagement
 - Can consider discounts for alumni for CPE programs
- Certificate programs
 - A broad category generally referring to sequences of courses representing a cohesive body of knowledge defined by faculty
 - Can be as short as three courses
 - UCLA Extension awarded 2,000 certificates per year
 - Length was 18 months to 4 years (part time) depending on the discipline
 - Post-bac certificates are growing in demand
 - Stackable certificates are growing in demand
- Executive education
 - High end continuing education aimed at high level executives
 - Multi-day onsite, hybrid, or low-residency, cohort based programs
 - Requires sophisticated faculty to teach this segment effectively
 - Requires specific brand identity
 - Most commonly found in business or management schools, but could be expanded to other fields
- Professional degrees
 - Degrees, usually at the masters level, that are applied and that specifically meet the needs of working adult students
 - Designed with input from employers
 - Requires specialized client and student services

I strongly encourage us to develop clear definitions and taxonomy of various types of CPE programs so that there is a common language and understanding across the university. For example, the term “workforce development” can be a general term or it can refer specifically to contract programs with workforce investment boards. A common language would be useful across a large organization.

Considerations/recommendations for various CPE markets

I also encourage us to consider a focus on higher-end programs where UAA has a particular expertise. This would include specialized open enrollment and contract programs that target the adult professional market (individuals with one or more degrees), including individual courses, certificate programs or sequences, high-end conferences, and executive education. Cross-disciplinary offerings (e.g., business and computer science, health and social science, etc.—UAA already does this sort of thing well) would be distinctive in this market.

We should think carefully about executive education offerings. Work closely with local employers first to identify needs. Consider more of a niche approach. For example, the business school at UW-Madison customizes leadership programs for regional industries (in their case, food processing industry and the transportation industry). Many programs do not target the C-suite, but develop programs for one level down in the organization. Strategy, change management, process improvement programs are common. The draw is slightly more dependent on content than faculty (though faculty are important). Location may be a draw because of tourism opportunities.

Due to declining demand for MBA programs nationwide, there has been growth in MBA-like leadership programs that cover the basic academic areas of an MBA, but in a more condensed and less expensive format. Consulting firms have entered the executive education market as part of broader services they provide. University-based executive education might think about how they can provide additional services beyond the programs itself, for example coaching or access to a password protected online resource center connected to relevant research conducted at the university. Because the executive education market is changing rapidly and programs require a significant investment, conducting some focused market research on content, format, and scheduling would be useful.

Workforce development programs, in partnership with workforce investment boards, require specific expertise to negotiate and community colleges tend to be strong in this market. I am not sure how active CTC is in this market. There might be opportunities for UAA beyond the basic entry-level workforce development market. We might explore the mandatory continuing education market, as well, but should avoid saturated markets where participants make choices on the basis of price.

We should enter the enrichment course market only as part of outreach and community engagement. Consider this a marketing/outreach expense for the university, not a revenue generator. We should be disciplined about tracking all expenses for such programs.

Delivery format

CPE is typically delivered in a variety of formats: classroom-based on a campus; classroom-based off campus; fully online; hybrid, low-residency. While online delivery is attractive due to its flexibility, other formats provide benefits for CPE students. Classroom, hybrid, or low-residency formats provide a face-to-face venue for interacting with co-workers outside the office setting or networking with other professionals. Even with traffic challenges, at the time I left in 2012, UCLA Extension's program was primarily classroom-based. In reviewing their website now, online delivery has grown as a proportion of total offerings, but classroom-based courses are still quite prevalent. I suspect this is due to the desirability of networking opportunities, a big part of LA culture. Demand for a particular format likely varies from region to region. Some level of needs assessment or market research is needed to determine the optimal program mix.

Employers may prefer a variety of formats for different reasons. Online delivery is a dominant format for employee training. However, an off-site workshop or classroom-based program still may be seen as perk by employees, used by employers to enhance employee retention. We should not assume online delivery is the only format in demand.

Guiding principles

Given so many options for CPE and executive education programs and delivery formats, it will important to establish a "charter" or guiding principles for the new CPE unit. What is UAA going to do in the non-degree segment and what is it not going to do? What are our goals and priorities? Is the goal net revenue generation? Expanding its reach? Enhancing the UAA brand? Providing a community service? Providing additional compensation to faculty? How does this align with the overall UAA and UA mission? Establishing these guiding principles will inform programming priorities. The other option is the "thousand flowers blooming" approach to see what works. I recommend a more strategic approach.

Need for market research

Prior practice in program development for CPE units was based on limited data, usually high-level labor market data, student satisfaction surveys, and anecdotal comments. Courses and programs were launched with little knowledge of true demand. Sophisticated CPE units now rely heavily on market research in making programming decisions. Review of existing workforce and employment needs data, user surveys, and analyzing skills gaps are used to identify program needs and opportunities. Burning Glass and similar vendors provide useful analytics on employer needs. Surveys or focus groups aimed at hiring managers within major employers are also useful, especially in program content and format decisions. The Center for Research and Strategy and the University Professional and Continuing Education Association (UPCEA) is one source for market research specifically focused on the CPE market. I recommend designing smaller scope research projects focused on specific questions or markets.

For business-to-business programs, clients help identify their own needs directly in consultation with the CPE unit's business development (sales) staff, though external data are helpful to focus client needs as well. Professionally designed focus groups are very useful in assessing the target market's perception of the CPE program and in testing brand, positioning, messaging, and marketing channels.

Brand is too big of a consideration to leave to chance or anecdotal evidence. Select the marketing firm based on the target market. For a more local/regional focus, use a local firm. For a national/international market, select a firm with expertise in those markets. These do not need to be large studies. Three to four groups and well-deigned prompts should provide enough intelligence to move forward.

Advisory Boards

Creating advisory boards of appropriate industry leaders, hiring managers, some alumni, some regular and adjunct faculty for major programs or program areas has become a best practice in the CPE and executive education industry. Boards with proportionately more outside industry members compared to faculty tend to be more successful. Hiring managers, unit directors, and so forth tend to be more engaged and helpful than C-level individuals, though C-level members provide more cache with the external community.

Advisory board members can help identify educational needs in their industries and can help develop, review, and revise curriculum. Recognizable companies and names of advisory board members reinforce quality and relevance of programs and can be used in marketing messages. Some board members become instructors or guest speakers. Many times industry board members recruit their own employees to enroll in the program and/or recruit graduates of the program for employment. There is significant staff overhead in forming and managing these groups, however. Be strategic and selective in the number of boards established. It's important to engage advisory board members in strategic discussions and to not simply report out on your program activity.

General marketing strategy

For open enrollment courses and programs, trackable digital marketing is most effective for driving enrollments. Traditional advertising (broadcast, billboards, print) is good for raising awareness, but effects on enrollment are difficult to measure. Dedicated business development staff (sales) will be essential to capture the business-to-business market. I would limit direct mail and focus on digital marketing. A robust and user-friendly website is essential. A central, aggregating website for CPE programs will probably be more effective than linking to multiple academic departmental websites that feature CPE programs. The one exception may be executive education programs. A separate dedicated site, designed for the unique executive market would be preferable whether that resides in the CPE unit or the business school.

Many aggregating platforms exist that feature university-based CPE programs (e.g. guildducation.com, universitylearningstore.org, and the traditional MOOC platforms

like Coursera and Udacity). On the surface, these platforms offer additional market penetration. We should exercise due diligence when partnering with any of these platforms. What is their reach into target markets? How do they drive traffic to their site? What is their reputation? What are their response rates? What is the business model? Contact reputable universities listed on the platform for a reference. These platforms should be considered a supplement to our own marketing and not a substitute for it.

Faculty

To what extent will we use regular faculty versus adjuncts to teach in CPE programs? Using regular faculty provides a level of quality control, it reinforces the institution's brand, and it provides an avenue for additional compensation for faculty. However, not all faculty can effectively teach in the CPE market. This is even more true in executive education programs where highly experienced executives expect dynamic interaction and sophisticated, just-in-time knowledge and perspectives. High reliance on regular faculty can restrict scaling the program. Regular faculty may become dependent on the additional compensation and may develop expectations that a course is "theirs" to teach. This makes it difficult to provide opportunities for other faculty, to revise, or to dis-establish a program when necessary. Unlike more traditional degree programs, CPE programs have the opportunity to be—and should be—more agile than traditional programs.

In addition, are there policies that inhibit use of regular faculty? Is there a cap to total compensation that would limit participation? Should compensation for teaching CPE courses vary by discipline/industry to reflect market demand? Are there any unintended consequences of regular faculty participation in CPE programs in terms of incentives for tenure and promotion? In general, I recommend a flexible system of compensating faculty on overload rather than as part of their regular workload. I also suggest we carefully manage expectations about teaching in CPE programs in the long-term. It will be important to think about faculty policies in advance. Entrenched policies and practices are difficult to alter after the fact.

Adjuncts are very appropriate in many (most) fields because they bring real-life experience to the class, something working professional students desire. In addition, the use of adjuncts supports greater scale and growth. If adjuncts are a significant part of the CPE teaching staff, how do we ensure quality? How do we limit their ability to market themselves directly to students/clients? At both UCLA and UW, adjuncts were used effectively. We had strict policies on qualifications (a graduate degree and at least five years of teaching experience) and all adjuncts were reviewed and approved by the relevant traditional academic unit. We also controlled how an adjunct could describe his or her relationship to the university. For example, they were instructors, not professors. We also contractually limited their ability to market their own services directly to students (e.g., law firms, or business, marketing consulting firms).

Certification/Credentialing

There are many ways to provide a level of credentialing within CPE programs. I believe credentialing can differentiate university-based CPE programs from private providers.

The University of California system has a category of academic credit called “professional credit category” spelled out within university policy (Appendix A, page 18). This is considered “extension credit.” Courses are recorded in a separate student record system and must meet certain criteria for approval, rigorous criteria appropriate for applied professional courses, but different from criteria for degree-credit courses. There is no automatic transfer of professional credit to degree programs. However, we did negotiate some articulations with institutions outside UC. For example, many courses within an accounting certificate were accepted as degree credit toward MBA programs at other universities. In addition, students could petition for professional credit courses to count toward a degree and most were successful in doing so. (This was easier to accomplish outside the UC System than within it due to UC’s somewhat elitist views of professionally oriented programs. I hope that is changing.)

Because of the professional credit category, UCLA Extension could legitimately market its courses and certificate programs as “credit-bearing.” This seemed particularly useful in certain professions and in the international market where credit-bearing certificates were seen as a valid substitute for a masters degree in some fields.

In order to offer professional credit courses, content and instructors are reviewed and approved by the relevant academic department. There is a high degree of staff overhead needed to implement this system. It is entrenched and has existed with UC for decades.

Even without the formal “professional credit” category, I recommend having a central student record system for CPE programs. Past students frequently request validation that they have completed a program, usually for employment purposes. Traditional SIS systems are difficult to modify due to the high level of flexibility needed to accommodate variable course and certificate length, schedules, and fees in CPE programs.

Programs offering continuing education units (CEUs) for licensure need to become “approved providers” by state agencies or professional associations. This can be a lengthy and time-consuming process. There are specific recordkeeping and reporting requirements that vary from profession to profession (not unlike specialty accreditation). A cost-benefit analysis, including market demand and potential program pricing, would be useful before offering CEUs because the organizational overhead in managing these programs is surprisingly high.

Endorsements from professional associations are valuable in many fields. For example, alignment with the Project Management Institute for project management programs is

highly respected in the field. Any additional endorsements from reputable professional associations or groups can increase perceived value of programs. Advisory boards and focus groups can help identify these.

Alternative credentials and competency-based education

These are two newer trends that are still finding their place in the postsecondary education ecosystem.

Though a focus on more finely defining and assessing student learning outcomes is a positive trend that will continue, the extreme form of direct assessment competency-based education (where there are no formal classes) has not caught on as expected. Direct assessment programs (currently offered by Southern New Hampshire University, Capella University, Brandman University, and University of Wisconsin) require a strong level of motivation and prior learning on the part of students. It is a new format that is unfamiliar to many and is difficult to explain to prospective students. Even though competency-based programs are targeted at the very large “some college, no degree” segment in the US, so far, programs have failed to capture a large proportion of that segment.

In addition, developing direct-assessment programs is very expensive and high scrutiny of these programs exists among accrediting bodies and the US Department of Education. Direct assessment competency-based programs will not disappear, however. It is just taking longer than expected for the market to develop. This is still a trend to watch. Niche programs aimed at very specific student segments where there is little direct competition (e.g., doctoral programs) might represent an opportunity.

Alternative credentials, like “digital badges” include newer, often more granular forms of validating learning. Individuals can earn badges for mastering certain competencies from a course or a portion of a course. Digital badges do not have wide acceptance in the marketplace. Badges have been effectively used to record and validate learning from co-curricular activities at some universities. Some larger employers are using badges to record their own employees’ professional development activities. This is a trend to watch, but it is not necessary to invest heavily in a digital badging effort at this time.

Certificate programs sometimes fall within the category of alternative credentials. The biggest innovation in certificates is the notion of “stackable certificates” whereby a student can make progress toward a larger degree or credential by completing smaller modular components. This is worth pursuing.

Financial metrics

To what degree does central administration support the CPE unit or is the CPE unit funded completely by its own program revenue? (At UCLA Extension, we were 100% program revenue driven. UW-Extension operated mostly off program revenue, but

received some general fund support.) The more the CPE unit can operate on its own revenue, the less it is perceived as drawing resources from the traditional academic units. In fact, over time the CPE unit should be able to share revenue with the TAUs.

It is very important to establish appropriate financial metrics in the CPE unit. Unless your goal is service and general outreach, **net revenue** is one of the most important metrics of success. This requires tracking all expenses, including overhead. Student/client satisfaction is also important, but net revenue is a strong proxy for service to and acceptance in the marketplace.

For example, the primary program metrics we used during my time at UCLA Extension had three components: cancellation rate, average class size, and net revenue. We set targets for each metric in each program area. We aimed for a 10-15% cancellation rate. (If it's zero, we're not taking risks. If it's too high, we're not meeting market needs.) We aimed for overall net revenue of 15-20% after loading all expenses, including overhead. We established class size targets for each program area. We allowed some high-demand, high-fee programs to subsidize others to a certain degree, but we monitored that closely. UW-Extension uses net-revenue as a major metric as well.

Establishing formulas for revenue sharing with the traditional academic units is also important to analyze carefully and establish in advance. Appendix B (page 21) contains comments on the two major models for revenue sharing. A high level of transparency is highly recommended in either case. Every TAU will believe it can "make more money" by delivering CPE programs itself. However, TAUs tend to ignore major overhead expenses in determining profitability.

Managing expectations for revenue stability is also important. TAUs quickly become dependent on their CPE revenue-share. This makes it difficult to make program revisions or to dis-establish programs that have outlived their usefulness in the market. Emphasizing the discretionary nature of the revenue to the greatest extent possible would be useful in designing an effective revenue sharing strategy.

ORGANIZATIONAL STRUCTURE ISSUES

Where in the university would a more centralized CPE unit be positioned? This is a major consideration. The following outlines potential models.

College Model

A central CPE unit equivalent to a traditional academic unit, led by a dean, and reporting to the provost (common with larger programs).

Advantages:

- Sends an institutional message that this effort is core to the university

- Should allow more direct interaction and connection with other deans and campus directors
- Perceived as more academic
- May provide more credibility in certain markets
- A separate college allows for a highly focused mission: dean and staff would be selected for a high level of expertise in CPE market and would only address that market

Challenges

- Most provosts do not have experience or authentic interest in the CPE market and are not likely to be able to advise or advocate
- There will still be a hierarchy among other colleges and deans
- Tendency for bureaucratic policies, high level of consultation and review

Expansion Model

An expanded CPE unit within Business Enterprise Institute with an experienced executive director and more staff, reporting to the provost or chancellor

Advantages

- BEI is highly entrepreneurial and successful
- Focuses on innovation
- Strong leadership
- Partnership development experience

Challenges

- High level of growth of online makes it difficult to take on new programs
- Statewide program that monitors business activity
- Spread too thinly across a variety of initiatives, most federally-funded
- CPE operation may become subordinate to other activities

Dedicated Entrepreneurial Unit

Establish a new unit, equivalent to BEI, but with a dedicated focus on CPE market

Advantages

- Different from an academic unit; more entrepreneurial orientation
- High level within the university provides visibility and credibility
- Focus entirely on CPE market (mainly non-degree segment that is underserved by UAA)
- Could serve as both a service unit and programming unit

Challenges

- Seen as separate from and subordinate to traditional academic units
- Requires significant investment to establish

- Will likely take 3-5 years to fully break-even

Degree of Centralization/Decentralization

This is the key question at any university seeking to establish a robust CPE unit. How do you organize to leverage speed and scale to serve the continuing and professional education market? Can you avoid duplication of efforts across multiple units? Is there an overarching branding opportunity? What are the politics of reorganizing into a more centralized or “federated” operation? The following provide a few potential organizational models with my assessment of advantages and disadvantages of each.

Other key questions should be addressed in the context of degree of centralization: It makes sense that a more centralized CPE unit would be responsible for *non-degree* offerings. However, would a more centralized CPE unit also be primarily responsible for marketing and delivering a certain type of professionally oriented *degree* program rather than the traditional academic unit?

There are distinct advantages to positioning such degrees within the CPE unit (similar to the NYU College of Professional Studies model). CPE staff should have a high level of expertise serving the adult professional student segment and various systems would be designed around this market. This is not always the case for a traditional academic unit.

In deciding which degree is offered where, the target market might determine organizational home of professional degrees. If the target market is the part-time adult professional market, then the degree would be offered by the CPE unit. The challenge is, the target market is not always that clear cut and some level of negotiation and decision-making will still be required under this structure. Financial transparency would be important in any arrangement where the CPE unit delivers the degree and shares revenue.

Another key question is the optimal placement of executive education programs. Should they be placed within the CPE unit or remain within the schools of business/management?

If the executive education program is large enough that it could support dedicated staff who have a high level of expertise in serving executives, then it could be successful within the school of business or management. In this case, the executive education program might contract internally for some services from the CPE unit, like marketing, enrollment and student record system.

If the program cannot support dedicated staff (a director and 1-2 additional operational program staff), the program should be placed within the central CPE unit. If executive education programs are placed within the CPE unit, they should have separate directors and separate branding and close coordination with the schools of business/management. Either option could work. I do not advocate marketing executive

education as one more offering within the broader array of CPE programs. They need to be perceived as a separate and distinct whomever oversees them.

MODELS FOR CPE UNIT DESIGN

Centralization is not an either/or determination. It is a spectrum. The following section provides some models to address the centralization/decentralization question.

Full Centralization

A central CPE unit handles all aspects of program development and delivery for all CPE programs, including professional degrees and executive education programs. There would be minimal input from an active working advisory committee of faculty, staff, and industry members.

Functions overseen by the central unit include

- Assumes all risk in investing in new programs
- Market and labor market research
- Marketing and student recruitment
- B2B sales of custom contract programs
- Student enrollment and records and data (usually separate from regular student enrollment/information system since more flexibility in schedule and fee structure is needed)
- Budgeting and finance
- Business administration
- Scheduling, operations, logistics
- Online platform
- Program development (internal to university and/or contracting with outside third parties)
- Financial analysis and transfer of revenue share to academic units (after recouping start-up costs)
- Hiring and training faculty
- Managing any accreditation, approvals by state boards or professional associations, and professional endorsements
- Compliance (ADA, student conduct, etc.)
- Assessment and evaluation of programs
- Liaison with Academic Senate as needed

Overseen by traditional academic units

- Final sign-off approval of curriculum and instructors (regular and adjuncts)

Advantages:

- Greater coordination; less potential duplication of programming
- Faster response

- Fewer redundant administrative functions; savings on staff costs, economies of scale
- Larger R&D pool for developing and launching new programs
- Cohesive branding and visual identity
- Dean/director and all staff knowledgeable of and dedicated to CPE programming and CPE market and its unique characteristics

Challenges

- Can create a divide between CPE unit and academic units; CPE unit seen as “separate from” the core mission of main university
- Difficult to “retrofit” existing department or school-based CPE programs into this model
- Less direct involvement of faculty in program development
- Need to establish clear criteria for quality of CPE programs (often different from regular academic degree programs)
- Need to establish appropriate criteria for adjunct teaching CPE courses
 - Without criteria, academic units can hold up program approval at the last minute
- Need high level of financial transparency so revenue sharing model is trusted

Strong Centralization

This model provides for greater involvement of academic units in programming while still leveraging a central planning and administrative unit. This model assumes the CPE unit is responsible for all non-degree CPE programs as well as most professional degrees and some executive education across the university.

Central CPE Unit:

- Assumes all risk in investing in new programs
- Market and labor market research
- Marketing and student recruitment
- B2B sales of custom contract programs
- Student enrollment and records and data (usually separate from regular student enrollment/information system since more flexibility in schedule and fee structure is needed)
- Budgeting and finance
- Business administration
- Scheduling, operations, logistics
- Online platform
- Financial analysis and transfer of revenue share to academic units (after recouping start-up costs)
- Transactions to hire and pay faculty
- Some faculty development

- Managing any accreditation, approvals by state boards or professional associations, and professional endorsements
- Compliance (ADA, student conduct, etc.)
- Assessment and evaluation of programs
- Liaison with Academic Senate as needed
- Collaborates closely with academic units on program development

Overseen by traditional academic units:

- Curriculum and program development in collaboration with CPE unit
- More involvement in selection of instructors
- Final sign-off approval of curriculum and instructors
- Participation in CPE policy development

Advantages

- Academic experts more closely involved in program development
- More buy-in from academic units
- Fewer redundant administrative functions; savings on staff costs
- Larger R&D pool for developing and launching new programs
- Cohesive branding and visual identity
- Systems appropriate for CPE market (student enrollment, finance, etc.)
- Dean/director and all staff knowledgeable of and dedicated to CPE programming and CPE market and its unique characteristics

Challenges

- Slower program development and launch unless academic units see CPE programs as a priority
- Academic units may not understand and adapt programming to valid differences in CPE student market
- Greater “collaboration tax” (time and effort involved in coordinating multiple entities)
- Academic units may not value expertise of CPE staff in market research and program development
- Academic units may not be objective in selecting best faculty for CPE programs (e.g., providing perks to certain faculty) or denying use of qualified adjuncts

Selective Centralization

Same responsibility split as above for the majority of CPE programs, except development, management, and delivery of certain programs would be retained within a traditional academic unit. For example Executive Education for business executives would be managed entirely in the Schools of Business. A professionally-oriented low residency/hybrid masters degree in data science would be managed entirely by the relevant department.

Advantages

- Greater ownership by traditional academic unit
- Better buy-in and participation of faculty (can more easily create incentives to participate)
- More focused branding of program
- Enhanced reputation of traditional academic unit
- Possibly more net revenue to traditional academic unit (may not be true if all costs are allocated to the program)

Challenges

- Duplication of staff and basic functions like research, operations, finance, and evaluation
- Loss of larger risk pool to support launch of new programs
- Lack of knowledge of non-degree market and expectations of executives and nontraditional students within academic units
- CPE programs are not the top priority of traditional academic units
- Difficulty revising or dis-establishing programs (entrenchment of programs and program content if faculty feel entitled to a certain way of doing things)

“White-Label” Back Office Centralization

Within this model, the CPE unit only provides a spectrum of back office administrative operations on a shared cost or recharge basis to support non-degree programs spread among the traditional academic units. (Would need highly transparent pricing practices.) The CPE unit could provide the whole package of services or could provide a menu of services. For example:

- Market and labor market research for various disciplines or job types
- Marketing and student recruitment
- B2B sales of custom contract programs
- Student enrollment system and records and data
- Compliance (ADA, student conduct, etc.)
- Program budgeting and finance
- Business administration (procurement, contracting)
- Scheduling, operations, logistics
- Online platform (or use EdPlus)
- Managing any accreditation, approvals by state boards or professional associations, and professional endorsements
- Assessment and evaluation of programs

Advantages

- Reduces some duplication of these functions
- Maintains some consistency, quality, and economies of scale

- Provides advice and consultation to traditional academic units by professionals knowledgeable about the non-degree market
- Traditional academic units maintain closer ownership of programs

Challenges

- Increased overhead in managing various agreements with traditional academic units
- If menu approach is taken and responsibilities are not spelled out clearly, potential for certain functions to “fall through the cracks”
- Potential for distrust of central unit around pricing
- Traditional academic units may not take advantage of all opportunities to provide CPE programs due to their other priorities
- if they are making all programming decisions

Summary

There are many opportunities for UAA to expand its service and reach through continuing and professional development. These programs address just-in-time professional development needs of employers and individual working professionals. Increasingly they operate as degree replacements or steps toward a degree in an era where postsecondary education affordability is paramount. It is important to realize non-degree programs do not generate as much revenue as degree programs. If the target market, program array, business model, and organization are focused and well designed, such a program can be highly beneficial to UAA and the communities it serves.

Appendix A

University of California System Policies on Extension Credit

<https://senate.universityofcalifornia.edu/bylaws-regulations/regulations/rpart3.html#rpart3-IIIch4>
(scroll to Chapter 5)

Chapter 5. University Extension Credit Courses

Article 1. Approval of Courses

- 790.
 - A. University of California Extension courses equivalent to regular session courses at Berkeley, Davis, Los Angeles, Riverside, Santa Barbara, San Francisco, etc., which may have credit value shall be designated by the same numbers with the prefix "XB," "XD," "XL," "XR," "XSB," "XSF," etc., respectively.
 - B. University of California Extension courses not equivalent to campus courses, but which may have a credit value, shall be designated by a number with the prefix "X."
 - C. University of California Extension courses of University-wide character which may have a credit value, shall be designated by a number with the prefix "XCal." A course will be so designated only if it is scheduled within a six-month period in three or more campus service areas and if it is taught in all locations by substantially the same lecturers.
- 792. University of California Extension courses yielding credit toward an academic degree or a professional credential or certificate shall be approved according to the following procedures:
 - A. All lower division, "100" series upper division, and "200" series graduate courses bearing the prefixes "X," "XB," "XD," "XL," "XR," "XSB," "XSF," etc. [see SR 790] shall be approved by the Dean of University Extension (or the Dean's authorized representative) and the department concerned, and then submitted for approval to the Committee on Courses of Instruction (or other committee having jurisdiction over the corresponding regular courses) in the Division of the Academic Senate on the campus where the courses received departmental approval. Complete approval must be received before any public announcement of such courses is made.
 - B. "X300" and "X400" series courses shall be approved by the Dean of University Extension (or his authorized representative) and by the department and school (or college) concerned, in accordance with general policies established by the Committee on Courses of Instruction of the Division of the Academic Senate on the campus where the courses received departmental

approval. Complete approval must be received before any public announcement of such course is made. [See SR 790] [See LR 10.65]

C. "XCal 300" and "XCal 400" series courses shall be approved by the Dean of University Extension and then submitted for approval to the University-wide Committee on University Extension which shall act in concurrence with the department most directly concerned. [See SR 790.] Complete approval must be received before any public announcement of such courses is made.

Article 2. Persons in Charge of Courses

- 800.
 - A. All members of the University Extension staff who offer courses that are announced as yielding credit toward an academic degree or a professional credential or certificate shall be members of University departments in which instruction is offered, or in the case of lower division, "100" series upper division, and "200" series graduate courses bearing the prefixes "X," "XB," "XSF," etc., shall be endorsed by the Committee on Courses of Instruction concerned (or other committee having jurisdiction over corresponding regular courses) acting in consultation with the departments in question, and in the case of "X300" and "X400" series graduate professional courses, must be approved (1) by the department or school or college and (2) in accordance with requirements established by the Committee on Courses of Instruction of the Division of the Academic Senate on the campus where the courses received departmental approval. [See LR 10.65]
 - B. All members of the University Extension teaching staff who offer courses with the prefix "XCal" shall be approved by the University-wide Committee on University Extension, acting in concurrence with the department most directly concerned.
 - C.
 - 1. Courses in which both resident and Extension students are enrolled and in which resident students receive grade-point and degree credit are defined as concurrent courses. Concurrent courses shall be offered and supervised by appropriate University departments. Instructors in such courses shall be governed by SR 750(B). (Am 7 Mar 79)
 - 2. Resident students may be admitted to Extension courses only as specified in SR 812.

Article 3. Degree Credit for Courses

- 810.
 - A. In the curricula leading to the degrees of A.B. and B.S., and in postgraduate programs leading to certificates or to recommendations for teachers' credentials, all lower division and "100" series upper division courses with the credit designation "XB," "XL," "XR," "XSF," "XSB," "XD," etc., shall be accepted for unit and subject credit for all requirements of departments,

schools, and colleges, as well as for general University requirements, if the corresponding regular course on the corresponding University campus is normally so accepted; lower division and "100" series upper division courses with the credit designation of only "X" shall be accepted in fulfillment of unit requirements on all campuses. (The foregoing provisions are subject to the restrictions of SR 812.) Credit for courses in the "X300" and "X400" series is acceptable toward the A.B., B.S., and postgraduate programs leading to recommendations for teachers' credentials only within the limitations prescribed by the various colleges and schools. The suitability of "X" courses for fulfilling subject requirements will be determined by the usual procedures governing evaluation of credits gained at other acceptable institutions. [See SR 790.] Except as may otherwise be provided in the Academic Regulations of the Division, grade points for courses taken in University Extension are not counted toward fulfilling requirements for the degree.

B. Credit for University of California Extension courses including concurrent courses toward a higher degree is subject to the approval and regulations of the campus Graduate Council concerned. Credit for "X300" series courses is not acceptable toward a higher degree.

C. All examinations for credit shall be taken at the University or under conditions approved by the department of the University concerned. (EC 15 Apr 74)

- 811. Curricula offered by University Extension that lead to professional credentials or certificates shall be approved by the Dean of Extension and by the department or school or college concerned in accordance with general policies established by the Committee on Courses of Instruction of the Division of the Academic Senate on the campus where each of the courses will receive departmental approval. (En 8 May 85)
- 812.
 - A. Students resident at the University and students on leave of absence may enroll in the University Extension courses, with a view to gaining credit thereby, only with the consent of the dean of the appropriate college; or in the case of graduate students only with the consent of the Dean of the Graduate Division concerned.
 - B. Extension students admitted to concurrent courses must satisfy requirements for enrollment in such courses, as established by each department concerned. [See SR 800(C).]
- 814. Credit toward a degree in the University of California for an extension course or courses completed in another institution shall be given only upon the satisfactory passing at this University of an examination in the course or courses concerned, unless the other institution concerned maintains a classification of extension courses similar to that established by the University of California.

Appendix B

Basic Models of Revenue Sharing

(with assistance from the former dean of UW-Extension Division of Continuing Education, Outreach and E-Learning)

Percent of net

Share of net revenue after all expenses have been paid.

There are five key challenges to this model.

1. There has to be agreement about what counts in the expense column for all parties. It's easy for an academic unit to try to add expenses that are outside of the scope of a program, and the same is true on the CPE side.
2. There can't be an off-the-top tax from any administrative group. At UW, the deans and chancellors tried to skim off the top and provide less net revenue to the academic unit contributing to the program. This situation would create a disincentive for academic units to participate. Once the programs were in the black and funds were transferred, the deans or chancellors could capture profits from their school and departments if they wanted, but the schools and departments would know how much the programs generated.
3. All revenues must be credited to the program. If any revenue is held back or hidden by the CPE unit, then significant revenue share is extended indefinitely.
4. The model has to be seen as fair and equitable. That doesn't mean that it has to be an even split among the parties, but it does have to be transparent, and the narrative that explains the differences has to be genuine and honest. E.g., you can make the case that 20% will be held centrally for scholarships, and faculty and others will understand that. It then has to be transparently clear in financial reports.
5. Because program development costs money, there should be base funding allocated to the development part. Otherwise, if the entire development process is counted as a cost against future revenues, then the time to net will be very long creating disincentives to participate in CPE programs. Achieving net within 3 years is ideal; the sooner that happens, the happier everyone becomes, and the more solid the model and relationships that depend on it.

Percent of gross

Percent of gross is easier to administer if programs are already breaking even or are profitable. You can also use percent of gross of growth as a way to incentivize academic units to grow enrollments. For example, you might have 50 students in a program and you want it to grow to 100. The department will receive 20% of gross tuition revenues for every student above the 50 benchmark. If the program is covering costs with the 50 students enrolled, then going to 100 involves incremental costs, so the profit should be

relatively high. This model works well to incentivize program growth. It does not work as well for new programs.