Purpose:
Ask that the Academic Staff Senate go on record as NOT supporting the revenue generating proposal that would increase the current 10% administrative fee the Distance Learning Center pays to campus to 20%, and to oppose the additional charge of rent in the amount of $400,000 annually for the next two fiscal years.

Background:
UW-Platteville was the very first public university in the state of Wisconsin to deliver entire degrees online. In 1999 the Distance Learning Center was developed, and it was made very clear that if online education was going to be successful, it would have to do so without any funding from the university. A grant was obtained to start the first online degree programs, which were the BSAD, MSCJ, MS-ENGRG, and MSPM. To this date, the Distance Learning Center continues to operate as a cost-recovery model, having never received any funding from the university or the state, and not beginning new online programs or hiring new staff unless the money has already been saved and designated to do so.

The revenue generating proposal to increase the current Distance Learning Center administrative fee from 10% to 20% is actually misleading. In addition to the current 10% administrative fee that the Distance Learning Center pays to the campus, which amounts to over $700,000 annually, $100,000 has been paid the last several years to help with a previous budget lapse; payments are made to all three colleges; and $750,000 has been paid by the Distance Learning Center to assist with the changes made to the PASS system. In reality, all of these extra fees and financial support really means the Distance Learning Center is annually contributing 22-25% of its’ gross revenue. In addition, the 20% revenue generating proposal would include all of the 136 accounts within the Distance Learning Center, and $55,000 to support the Peer-Assisted Learning Program (PALS), which will not serve online students. If all of these revenue generating proposals are adopted for the FY2015-2016 budget year, the amount that the Distance Learning Center will contribute annually to the campus will actually amount to 33%, or roughly $2.3 million. This money will come from tuition that online students pay, and will have very little, if any, direct return benefit to the online students.

The Distance Learning Center just completed the draft of their next 5-year plan. That plan proposes to continue to increase student enrollment and continuing to use a cost-recovery business model that would allow the money that is paid through online tuition to be reinvested to support the growth of programs, students, and faculty involved in online education. That continued enrollment would result in continued revenue-sharing with the campus. This will not occur if the revenue generating proposal for the Distance Learning Center is approved and implemented. In fact, just the opposite could occur. Part of the proposed five-year plan included the development of 2-3 additional graduate degree programs. These will not occur if the current proposal is accepted.

Summary:
In closing, I ask that the Academic Staff Senate go on record as NOT approving the current revenue generating proposal for the Distance Learning Center, and to also go on record as supporting the recommendation that no changes be made to the current 10% administrative fee that the Distance Learning Center pays to the campus, and to not require the Distance Learning Center to pay rent in any amount over the next two fiscal years.
Respectfully Submitted

Dan Avenarius
Director
Distance Learning Center