University of Missouri eLearning Learning Strategic Planning

Project Kickoff—Update to Curators

November 15, 2018
Our project plan consists of multiple phases, with key activities and deliverables in each phase.

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<tr>
<th>Task Force Meetings*</th>
<th>Phase 0: Mobilization</th>
<th>Phase 1 (10 weeks)</th>
<th>Phase 2 (8 weeks)</th>
<th>Phase 3</th>
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<td>Internal Assessment</td>
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<td>Assess Market Demand</td>
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<td>Align on Opportunities</td>
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<td>Focus Groups**</td>
<td>Develop Implementation Plans</td>
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<td>Synthesize Findings</td>
<td>Focus Groups</td>
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<td>Technology Platform Analysis</td>
<td>Refine</td>
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Note: *EY-Parthenon will have bi-weekly touchpoints with the program management team; **Denotes optional activities
In Phase 1, EY-Parthenon will identify and evaluate various options for growth, while Phase 2 will focus on the design of an operating model.
Online and hybrid enrollment is driving growth; through strategic planning, University of Missouri can remain competitive

**Online + Hybrid Enrollment Growth**

- While overall post-secondary enrollment remains flat, **online and hybrid enrollments have recently grown**
- These trends hold true in the state of **Missouri** and within the University of Missouri System
- There is an **adult learner population of ~450k in Missouri** that may consider enrollment in an online bachelor’s or master’s program*

**University of Missouri Performance (Preliminary)**

- From FY13 to FY18, UM has grown fully online and hybrid enrollments **faster than the national average**
- However, as an overall percentage of enrollments, UM’s **fully online presence is relatively small**
- UM currently serves ~5% of fully online learners from the state of MO; a significant portion of online students choose to enroll in **out-of-state institutions**

*Note: The 450k differs from the 750k referenced in the MoExcels Request for Proposals due to slight differences in methodology: the MoExcels number is inclusive only of the adult population with “Some college, no degree,” and assumes all are addressable; EY-P considers those with Bachelor’s and Associate’s degrees (in addition to “Some college, no degree”) and applies an addressability cut based on the estimated % likely to enroll in an higher-ed degree program
The University of Missouri System mirrors the broader state in terms of growth in exclusively online enrollments and decline in on-ground enrollments.

Enrollment Totals for Institutions within Missouri by Delivery Modality, FY13 – FY18

Includes only institutions with a physical presence in MO; based on IPEDS data

Enrollment Totals for University of Missouri (System) by Delivery Modality, FY13 – FY18

Based on UM internal data

CAGR (FY13-FY18)

-2%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Online

Hybrid

On-ground

FY13 FY14 FY15 FY16 FY17 FY18

% Online 10% 11% 13% 13% 14% 15% % Hybrid 15% 18% 17% 17% 18% 19%

% Online 4% 4% 5% 5% 5% 6% % Hybrid 10% 14% 15% 18% 18% 20%

Source: NCES IPEDS; Internal Data
Potential demand for online learning is strong; there are ~450k adult learners aged 25+ in Missouri who could be addressable for online bachelor’s and master’s degrees.

Missouri Population Aged 25+, by Educational Attainment and Degree Addressability

FY17

Population Aged 25+ in Missouri Considering Higher-Ed Degree Enrollment, FY17

To meet the necessary characteristics to enroll, residents must be considering enrolling in a higher ed degree and:

- Associate’s degree: have obtained some college credit
- Bachelor’s degree: have obtained 60+ credits and/or an Associate’s
- Master’s degree: have received a Bachelor’s degree

*Note: Estimated addressability based on benchmarks and past EY-P work in higher education online learning; actual Missouri population may yield different numbers

% considering enrolling in higher-ed degree program* 30% 30% 30%

*Note: Estimated addressability based on benchmarks and past EY-P work in higher education online learning; actual Missouri population may yield different numbers

Source: US Census Bureau; EY-Parthenon analysis
While demand for online education among Missouri residents is high, ~20k choose to enroll in out-of-state institutions, suggesting opportunity for UM to gain share.

- Missouri residents enrolled in online programs at in-state institutions: ~32k students
- Missouri residents enrolled in online programs at out-of-state institutions: ~21k students
- Out-of-state residents enrolled in online programs at Missouri institutions: ~25k students

Analysis based on NC-SARA reported data and Babson research.
UM’s online learning programs have made strides since FY13, and are “middle of the pack” relative to peer institutions.
To guide the focus of our work, it is helpful to understand the overall vision and scope of the desired online program for the University of Missouri.

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**University of Missouri Online Program Vision: For Discussion**

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<tr>
<th>Program Characteristic</th>
<th>Key Questions for Discussion</th>
<th>Initial Perspectives from Interviews</th>
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</table>
| 1 Scope, Scale and Timing | ► What target enrollments or revenue should UM try to achieve?  
► Is there a short-term goal to keep in mind, and what is the timeline to reach this goal? | Multiple stakeholders suggest that 25k enrollments in 5 years is an ambitious but reasonable medium-term target  
► An aggressive timeline may be challenging, but there is a sense of urgency given the rapidly changing competitive landscape |
| 2 Geographic Focus | ► Is UM trying to serve a national population?  
► Is a regional focus on MO and surrounding states preferred over a national focus? | Preliminary perspectives support prioritizing Missouri and the surrounding region before moving nationally  
► Increasing access to education within Missouri aligns with the state’s broader mission for the UM system  
► The opportunity to be a national player should not be overlooked |
| 3 Population Focus | ► Is UM placing emphasis on serving “traditional” students? Adult learners? Other? | Stakeholders largely agree that “adult learners” are the most attractive target to bring incremental enrollments to UM  
► Interviewees perceive this population to be large and underserved in MO and surrounding regions |
| 4 Degrees Offered | ► Should the new program additions focus on undergraduate degrees? Graduate degrees? Certificates? | Given the target population, most interviewees suggest that a focus on undergraduate degrees and certificate programs is logical  
► The population of working adults with some college credit are most addressable for these programs  
► Others suggest more breadth of offerings as per the ASU model |

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Sources: EY-Parthenon interviews
Our team will work closely together with University of Missouri’s eLearning Task Force throughout the project.

EY-Parthenon Team

- Kasia Lundy: Managing Director
- Haven Ladd: Managing Director
- Chen Liu: Case Team Leader
- Dan Chen: Consultant
- Anna Kwak: Consultant
- David Freeman: Associate
- Nour Abdelmonem: Associate

Chen and Carrie will coordinate day-to-day project activities and progress.

University of Missouri Team

University of Missouri eLearning Task Force

- Gary Allen: VP for Information Technology, UM System
- Barb Bichelmeyer: Provost, UMKC
- Mun Choi: President, UM System
- Kelvin Erickson: Professor of Electrical and Computer Engineering, S&T
- Dale Fitch: Associate Professor, Director, School of Social Work, MU
- Steven Graham: Senior Associate VP, Academic Affairs; Task Force Chair, UM System
- Christine Holt: Chief of Staff, UM System
- Robert Marley: Provost, S&T
- John Phillips: Vice Chair, Board of Curators
- Latha Ramchand: Provost, MU
- Ryan Rapp: VP for Finance and CFO, UM System
- Amber Reinhart: Faculty Fellow, Associate Chair of Communication, UMSL
- Kristen Sobolik: Provost, UMSL
- David Steelman: Chair, Board of Curators
- Ajay Vinze: Dean of the College of Business, MU
- Marilyn Yoder: Associate Professor, Division Head, School of Biological Sciences, UMKC

Project Manager

- Carrie Nicholson: Research Consultant II; Project Manager, UM System
Today’s top online programs at public systems have used a variety of paths to reach their scale positions; nearly all operate a standalone campus.

### Top Public Online Institutions by Number of Students Exclusively in Distance Education in 2016

<table>
<thead>
<tr>
<th>Institution</th>
<th>Number of Students Exclusively in Distance Education</th>
<th>Percent of Students Exclusively in Distance Education</th>
<th>Path to Scale</th>
<th>Time to Scale*</th>
<th>Operating Structure</th>
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<tbody>
<tr>
<td>University of Maryland-University College</td>
<td>44.3k</td>
<td>77%</td>
<td>Internal build</td>
<td>25 years</td>
<td>Standalone</td>
</tr>
<tr>
<td>University of Central Florida</td>
<td>10.3k</td>
<td>16%</td>
<td>Internal build</td>
<td>22 years</td>
<td>Part of system</td>
</tr>
<tr>
<td>Pennsylvania State University-World Campus</td>
<td>13.4k</td>
<td>100%</td>
<td>Internal build</td>
<td>20 years</td>
<td>Standalone</td>
</tr>
<tr>
<td>The University of Texas at Arlington</td>
<td>15.4k</td>
<td>34%</td>
<td>Partner</td>
<td>10 years</td>
<td>Part of system</td>
</tr>
<tr>
<td>Colorado State University-Global Campus</td>
<td>11.6k</td>
<td>100%</td>
<td>Internal build</td>
<td>10 years</td>
<td>Standalone</td>
</tr>
<tr>
<td>Arizona State University-EdPlus</td>
<td>24.6k</td>
<td>94%</td>
<td>Partner</td>
<td>8 years</td>
<td>Standalone</td>
</tr>
<tr>
<td>Purdue Global University**</td>
<td>38.3k</td>
<td>89%</td>
<td>Acquisition / Conversion</td>
<td>0 years</td>
<td>Standalone</td>
</tr>
<tr>
<td>University of Missouri System</td>
<td>4.5k</td>
<td>6%</td>
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*Note: “Time to Scale” defined as time to today’s scale / steady state enrollments

**Note: Purdue Global University is the new name of Kaplan University after being acquired by Purdue; number and % of students reflect IPEDS 2016 data for Kaplan University campuses

Source: NCES IPEDS; Institution websites; EY-Parthenon analysis

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For discussion: what operating structure is preferred to best support University of Missouri’s online program expansion?