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BREAKING NEWS | THIS WEEK'S ISSUE

Special Report: Educational & Prof. Development

If at first you don't succeed ...

Area schools tap into online demand with new models focusing on content, faculty contact, not high-tech frills

By Judy Temes

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Call it online learning 201. After losing tens of millions of dollars on their first stab at Web-based education, New York area colleges and universities have learned a painful lesson. But rather than dropping the subject, they are working harder on getting it right.

This time, the schools have abandoned their extravagant, strictly high-tech, for-profit ventures in favor of a more traditional classroom-type approach built around content and faculty.

"It's about education, not technology," says Stephen Anspacher, associate provost at New School University, which hopes to quadruple its Internet enrollment over the next four years from nearly 5,000 this past academic year. "It's effective only to the extent that the content is

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Hospitality	credible, perhaps even superior."	
Who's Who In City Hall	Online or long-distance learning is a market that no New York college can afford to ignore.	Special Report: Meetings and Conventions
Human Resources	The field is growing by an estimated 40% annually, and 706,000 students are expected to be enrolled in degree-granting programs across the United States in 2003, according to Eduventures Inc., a Boston-based consulting firm. The Alfred P. Sloan Foundation, which funds online higher-education programs, estimates that when nondegree students are included in the tally, the figure reaches as much as 1.6 million per semester.	Event Listings
Careers/Exec Moves		Golf Guide
Technology/New Media		Special Report: Business Security
Biz People	"There is a big unmet demand out there among people with children and jobs who still want to study," says Michael Teitelbaum, program director at Sloan.	New York, New York
Gadgets & Gizmos		At Deadline
Golf Guide		Special Report: NY's Insurance Crisis
Growing a Business Guide	Most students tend to be busy professionals who live near the institution they're enrolled in, rather than true long-distance learners, college officials say. A fair number of those taking courses via the Web are simply supplementing their regular classes with some online credits.	Special Report: Employee Benefits
Not-for-profit		Special Report: 100 Most Powerful Minority Business
Arts & Culture	As schools roll out version 2.0 of their Internet courses, they are being careful to avoid their past mistakes.	Media / Entertainment
Meeting Planners Guide	New York University and Columbia University both entered the field in a big way during the dot-com boom, launching for-profit spinoffs that they hoped would make them rich. The idea was to produce graphically enticing material that didn't necessarily require expensive faculty involvement, which allowed thousands to take one course with minimal cost to the institution.	Special Report: Technology
Top Minority Executives		Special Report: Small Business Marketing
Executive Life		Business Lists
Executive Education		Special Report: Hotels
Women in Business	Columbia invested at least \$15 million in Fathom, a venture that closed in January amid mounting losses. NYU lost \$20 million on NYUonline before closing it down.	Market Facts 2003
James Brady		Nonprofits
		Special Report: Minorities
		Special Report: Health Care
		Special Report: Corporate & Executive Relocation

Institutions have learned that tech alone doesn't replace good ol' teachers. Students

don't want a lot of scrolling text or fancy graphics; they want to communicate with their professors.

**Special Report:
Educational & Prof.
Development**

Virtual College, a part of NYU's School of Continuing and Professional Studies, is now the focus of the university's online education efforts. It offers 220 courses and four master's programs. Enrollment is up tenfold in four years, to 2,400.

Corrections

Financial

What's different this time? "Faculty interaction," says Robert Manuel, assistant dean.

NYU is now putting more of its resources into faculty, as well as focusing more on technology that makes it easier to reach the teaching staff. Virtual College, Mr. Manuel says, has gone beyond other programs with its conference-calling features and "voice over Internet" service, which enables professors to deliver lectures live or to archive them for later retrieval.

No get-rich-quick scheme

But professor involvement can make online classes as expensive for a college to operate as those at its bricks-and-mortar locations, or more so. At the State University of New York's Learning Network, or SLN, one faculty member typically teaches no more than 25 students. That's far lower than the usual ratio for the system's freshman composition classes.

"Our biggest expense is faculty," says Peter Salins, provost and vice chancellor of academic affairs at SUNY. "If anything, online courses may cost us more."

Even though SUNY might not be getting rich using the Internet strategy, officials at the university system believe that they can't ignore the demand for online courses. More than 54,000 students enrolled in SLN's 3,200 courses last year, making it one of the nation's top 10 providers of online education.

To recoup the cost of intense faculty involvement, SUNY and most other schools are charging the same tuition for Web courses that they do for regular classes.

For example, students using Columbia Video Network-the Columbia engineering school's online program-are charged the same \$956 per credit hour as those taking regular classes, says Grace Chung, CVN's executive director. At least a third of the tuition goes to the faculty.

"It's a lot of extra work for them," says Ms. Chung. "They have to be available to the students in chat rooms or through e-mail. We want to make sure we compensate them for that."

Cheaper options

High tuitions can put nonprofit universities at a disadvantage compared with the rapidly expanding cadre of for-profit schools that are offering cheaper courses over the Web.

For instance, in only five years, the University of Phoenix has grown from practically nothing to an Internet powerhouse with an online enrollment of 72,000, helping to make it the largest for-profit university in the country. The reasons that Phoenix can charge less: It principally hires adjunct faculty, and it does not need to support research or scholarly pursuits, as do most universities.

In order to compete online, traditional schools are staking out niche markets and seeking corporate partners to help students foot the tuition. Pace University's biggest online program, with enrollment of 1,500, is a two-year degree in telecommunications that's paid for by phone companies and unions.

CVN relies on similar tuition subsidies from companies like IBM, Lucent and Motorola.

Started in 1986 as videotaped lectures distributed by mail, CVN is growing more than

30% a year and has 1,500 enrollees. The lectures are now provided in the form of streaming, downloadable video, so someone like Richard Cutler, a father of two in Austin, Texas, can sit in front of his computer in his pajamas and watch the same lectures that students attend on the Upper West Side campus.

The fact that Mr. Cutler is working toward an online degree rather than a traditional one makes no difference to his employer, Motorola, which is paying his tuition.

"I have the same tests, homework and labs as on-campus students, and I'm doing better than most of them," he says. "It proves that the online version is as good, if not better."

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