

ONLINE PROGRAM MANAGERS (OPMS):



ENSURING QUALITY AND PROTECTING INNOVATION

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BACKGROUND

Over the last two years, the COVID-19 pandemic and the changing needs of today's students have necessitated an unprecedented shift towards online learning. Institutions of higher education were able to meet this demand partially due to online program management entities, or OPMs. OPMs are service providers which work through contracts with universities to bring academic programs online. OPMs provide a whole host of services including student recruitment, transfer of courses to online environments, management of online courses, and student support. It's estimated that in 2020 there were 300 new OPM partnerships, a 79 percent increase from 2019.¹

about what it means for institutions, especially non-profit institutions, to turn over essential functions to nonaccredited, and often for-profit, entities. As a separate entity which seems to provide education without being an institution itself, it can be unclear as to what rules apply to OPMs and which do not. But there is one thing which remains clear—OPM partnerships are going to continue to increase moving forward, whether or not policymakers act to provide clarity.

Accreditation agencies, or "accreditors," serve a vital gatekeeper role as they certify, or accredit, institutions in order to allow students to use federal dollars in the form of student loans or Pell Grants at an accredited institution. The U.S. Department of Education (ED) is responsible for executing federal education policy and distributing and regulating federal financial aid funds. Congress is responsible for passing the laws which set up this accreditation system as well as defining the parameters of federal accountability which ED is responsible for upholding.

HLA has published a backgrounder explaining OPMs and their impact on today's students.²



By allowing institutions to offer new online courses with little to no upfront investment, OPMs allow institutions of higher education to quickly innovate in creating new models of instruction delivery. But OPMs have also been subject to scrutiny due to the unique place they occupy in the higher learning environment. Some have raised questions

Institutions need the appropriate space to innovate along with guidance and support to use OPMs to provide strong outcomes for today's students. The following recommendations would promote a student outcome-focused approach to OPM partnerships while still allowing for the rapid innovation that OPMs allow institutions to pursue.



1

The U.S. Department of Education (ED) Should Require and Support Accreditors to Review New OPM Contracts

The contract between an institution and an OPM is the most important piece which defines the relationship between the two entities. Missing information in a contract leaves ambiguity as to whether the institution or the OPM is responsible for a certain part of the program. Alternatively, an institution may be giving over a large amount of control or state funding to an OPM without the knowledge of the accrediting institution. Thus far, regulators have not held OPM contracts to the same standards as other forms of written arrangements which are similar in scope.³ Requiring the contracts to be submitted and reviewed before they are signed would provide a safeguard against those issues.

Accreditors should also maintain a policy or checklist of things that it will be reviewing for the sake of clarity for institutions. In many cases, having clear guidance for contractual agreements with non accredited agencies could even make it easier for institutions to know what to look for when creating a contract with an OPM. For example, the WASC Senior College & University Commission (WSCUC) provides a detailed guide to things which should be included in a contract between accredited and nonaccredited entities.⁴




Examples of suggested items to review for each OPM agreement include:

- A clear description of services provided by both parties;
- How the OPM is compensated and impact on overall institution finances;
- To what extent the OPM employees are providing instruction vs. institution faculty;
- Conditions in which the contract could be reviewed or terminated;

- Whether OPM employees can act as university employees, and if so whether they are fully trained in institution compliance policies

This list is hardly exhaustive, and more research is needed from institutions and accreditors to identify the biggest issue areas and pitfalls for OPM contracts. As HLA has previously recommended, a new fund should be created at ED to encourage and support accreditors' efforts to offer technical assistance to institutions establishing new distance education programs, and these funds should go to support the creation of OPM contract reporting requirements and best practices guides.⁵

Policy Recommendations

- 1** US Department of Education should hold OPM contracts to the same standards as other forms of written arrangements 
- 2** Accreditors should maintain a policy or checklist of things that it will be reviewing for OPM contracts 
- 3** Support a new fund at the US Department of Education to encourage and support accreditors' efforts to offer technical assistance to institutions establishing new distance education programs 

2




Institutions and Accreditations Should Stipulate Transparent Practices When Recruiting is Outsourced

As consumers in the higher learning space, students deserve transparency and all the information they need to make sound decisions. Many OPM contracts provide for a tuition-sharing agreement between the institutions and the OPM—OPMs receive a certain percentage of tuition paid to attend the course on a per student basis. ED adopted regulations in 2002 which allow for this type of agreement between institutions and contractors which offer “bundled services.”⁶ Many institutions view this arrangement as satisfactory because it brings in a new source of revenue and allows the creation of a new online program with little upfront investment, but they do raise the question of whether OPMs are incentivized to bring in a large number of students through their recruitment efforts, regardless of if the students may benefit from the program.

OPM contractual agreements which stress the OPMs duty to be transparent with students during recruitment can allay these concerns. As such, institutions and reviewing accreditors should ensure that when recruitment of students is outsourced to OPMs, the OPM is also bound by the institution’s policy and code of conduct for recruiting students, as well as any applicable portions of the state’s higher education “sunshine” laws, as well as making clear in all recruiting materials that the program is a partnership with the OPM.⁷ The National Association of College Admission Counseling (NACAC) Guide to Ethical Practice in College Admission could additionally serve as guidance to the standards that OPM recruiters should follow.⁸

Further, institutions should ensure that OPMs are required to disclose to students and prospective students that they are not employees of the institution itself but a separate company. In a recent paper for Higher Learning Advocates, researchers at Pennsylvania State University pointed out that “consumer complaint systems in the states currently do not know if the student was engaging with an employee of an OPM firm or the institution,” creating difficulties for both students and state enforcement agencies.⁹ Disclosure would help ensure that students have access to this accountability if necessary.

Policy Recommendations

- 1 Bind OPMs by institutions’ policies and codes of conduct for recruiting students. 
- 2 Institutions should make OPM partnerships transparent to prospective students in recruitment materials. 
- 3 Require OPM employees and materials to disclose to students and prospective students that they are not employees of the institution. 

3

The U.S. Department of Education (ED) and Accreditors Should Provide Guidance on Outsourcing Core Services

Institutions of higher education receive accreditation in order to provide higher education services to students, but if they were to outsource all teaching responsibilities to unaccredited companies, they would simply be serving as a passthrough. Institutions outsource many business practices such as catering, bookstores, and building management to other entities, but OPMs provide an instructional platform and design curricular programs for institutions, which stands apart from these other services and speaks to the essential services of an institution. Current accreditation and federal policies allow up to 25 percent of an institution's program to be outsourced which can be increased up to 50 percent with accreditors approval.¹⁰ However, this current rule is judged largely through faculty-student interactions and whether or not the faculty member is an employee of the institutions, so in practice this rule provides little guidance as to what services can and can not be outsourced.¹¹

OPM models vary widely from contract to contract as ultimately there is no one size fits all approach. Some institutions contract for online and technical services only, while others outsource more duties related to instructional design and even outsource instruction completely to teachers employed by the OPM and not the institution.¹²

WASC Senior College & University Commission (WSCUC) is an accreditor which provides a more

comprehensive guide for outsourced services.¹³ It details core services such as admissions decisions, faculty placements, and awarding of academic credentials which an accredited institution should not outsource, and a helpful chart to help institutions make decisions about which types of services are appropriate to outsource.

ED should help scale the work of accreditors like WSCUC by conducting its own study into the ways that services are outsourced at different institutions. It should provide similar guidance to institutions regarding which services are considered "core" services of an accredited institution and what questions an institution should ask before outsourcing such a service. Such guidance could help other accreditors develop their own guidelines on core services.

Policy Recommendation

- 1 US Department of Education should provide guidance to institutions regarding which services are "core" services.



4

The U.S. Department of Education (ED) Should Take Steps to Ensure the Quality of Online Programs—Regardless of Who is Delivering the Content


Student outcomes are the most important factor to consider in any modality of education delivery. OPMs are just one of many ways an institution can deliver distance education to students. ED has already established guidelines for high-quality distance education which maintains the concept that students in distance education must have “regular and substantive interaction” with their instructors and specifically defines what that interaction looks like.¹⁴ ED should make clear that this requirement applies to any instruction being delivered through an OPM or by OPM employees on behalf of an institution and apply any reporting and monitoring requirements regarding this rule to OPM delivered programs.


Higher Learning Advocates has presented a series of policy recommendations to maintain the high quality of distance education programs. These policies apply just as much to programs delivered through an OPM as they do those programs delivered directly by the institutions.¹⁵ For example, we advocate that ED create a Center for Best Practices on distance education which could serve as a launching point to share best practices and technical support to help institutions create fruitful partnerships with OPMs and replicate high performing models without having to reinvent the wheel every time.


ED should continue to review and assess student outcomes from OPMs going forward just as they do the outcomes from any distance education program. Whether distance education is delivered through an OPM or directly through an institution, student outcomes and success should come first and foremost.

Policy Recommendations

- 1 US Department of Education should make clear that “regular and substantive interaction” rules also apply to instruction delivered through an OPM partnership.


- 2 Create a Center for Best Practices on distance education.


- 3 US Department of Education should review and assess student outcomes from OPM-operated programs.



CONCLUSION

OPMs are still a new and largely unregulated part of the higher learning ecosystem. The above recommendations may be only the beginning of a series of innovations from policymakers, accreditors, and institutions on a path to ensure that OPMs and other partnerships with private entities provide value for today’s students. They are, however, necessary steps to show students and taxpayers that accountability and transparency are at the heart of all such agreements. Rather than hamper the innovation potential of OPMs, these recommendations would help create sound parameters that would make it easier for institutions to provide online instruction for today’s students.

ENDNOTES

¹ Marcus, Jon, The Washington Post, "More colleges and universities outsource services to for-profit companies", January 2021.

² Higher Learning Advocates, OPM Backgrounder, November 2021.

³ Kinser, Kevin, et. al., Higher Learning Advocate, "Outsourcing Online Programs: Policy Options For Opm Oversight," March 2022.

⁴ WASC Senior College & University Commission, "Agreements with Unaccredited Entities Guide," Revised October 2017.

⁵ Bouck West, Emily and Johson, Chase, Higher Learning Advocates, Ensuring Quality Of Online Education Programs, June 2021.

⁶ 34 C.F.R. § 668.14(b)(22)(ii).

⁷ Every state has some form of a "sunshine" law which requires state institutions to provide varying degrees of information to students and the public, Hearn, James C., Association of Governing Board of Colleges and Universities, "Sunshine Laws in Higher Education," March 2017.

⁸ National Association of College Admission Counseling (NACAC), "Guide to Ethical Practice in College Admission," September 2020.

⁹ Kinser, Kevin, et. al., Higher Learning Advocate, "Outsourcing Online Programs: Policy Options For Opm Oversight," March 2022.

¹⁰ 34 C.F.R., § 668.56

¹¹ Cheslock, John J., et. al., Penn State, "EXAMINING THE OPM Form, Function, and Policy Implications," December 2021, pg.32.

¹² Ibid, pgs. 15-16.

¹³ WASC Senior College & University Commission, "Agreements with Unaccredited Entities Guide," Revised October 2017.

¹⁴ Federal Register, September 2, 2020.

¹⁵ Bouck West, Emily and Johson, Chase, Higher Learning Advocates, Ensuring Quality Of Online Education Programs, June 2021.