MIT Ad Hoc Committee on
Online Continuing and Professional Education

Final Report
February 28, 2023

Continuing and Professional Education (CPE) focuses on serving professionals who are seeking to develop or improve their understanding in areas relevant to their careers. CPE offerings are distinct from and complementary to academic subjects, with learning objectives based on professional development rather than academic criteria. CPE is a form of external engagement that traditionally has historically been pursued largely in business and professional schools and in agricultural extension programs. The CPE arena has changed rapidly in the past decade, with online paid offerings that are delivered asynchronously becoming a substantial part of addressing learner needs across a broad range of domains. We refer to these as OCPE offerings, which are the focus of the charge to this committee and this report.

This committee was charged by the provost and academic deans to investigate the landscape of MIT OCPE offerings and to provide recommendations regarding how to improve MIT's OCPE effectiveness and impact, as part of following up on RIC11 of Task Force 2021 recommending that "Deans' Council be assigned the role of examining potential MIT offerings in online and on-site continuing education." In undertaking this charge, the committee met with the school and college councils and the Faculty Policy Committee, as well as getting feedback from a number of faculty and administrators who are actively involved in OCPE offerings.

The scope of this report is solely OCPE offerings that bear the MIT name. It does not include CPE offerings that are delivered in-person, the in-person components of blended offerings, synchronous online delivery, nor academic online offerings such as MITx subjects (such as online versions of MIT subject numbers or offerings that are potentially usable as credit towards academic requirements). The scope also does not include activities of MIT faculty who may engage in their personal capacity in OCPE activities which do not use the MIT name (analogous to other personal educational activities such as writing a textbook).

We believe there is tremendous opportunity for MIT to make OCPE a key component in realizing the Institute's mission of serving the nation and the world, increasing our impact, and broadening and deepening our connections with both individuals and organizations. In order to achieve this, it is important to provide a coherent collection of uniformly high-quality OCPE offerings, well-tailored to professional development, that provide high value to learners. While there are numerous strengths to MIT's current OCPE offerings, there is a good deal yet to be done as described in the recommendations.

There are many potential connections of OCPE with other aspects of MIT. For instance, some departments may wish to use OCPE to enhance ongoing relationships with MIT alums, including

provision of professional development offerings that help meet field-specific accreditation requirements or certification maintenance expectations. Beyond relationships with our own alums, MIT could benefit intellectually from bi-directional aspects of continuing education. Individual departments and programs may wish to develop ways to harness emergent and experiential knowledge from practicing professionals in ways that can help current students and faculty who are engaged in on-campus classroom activities and research.

Background

The national and global landscape of OCPE is highly complex, with for-profit, non-profit, academic, and non-academic players. At US universities generally, including MIT, OCPE activities of the faculty are primarily treated as outside professional activities, both those undertaken internally as well as those with another institution.

OCPE offerings generally provide a certificate or other nonacademic credential, both for individual classes and for multi-class curricula. There are multiple segments of OCPE learners, including those meeting continuing education requirements in licensed professions, those seeking skills and insights relevant to their jobs and careers, and those in management positions seeking to improve their leadership skills and relevant expertise. Online executive education, aimed at the latter segment, usually provides a more interactive experience than the other segments, often including networking opportunities.

OCPE can be complementary to in-person continuing and professional offerings, including the potential to use online materials as part of blended programs as well as to draw on a large online presence to reach potential in-person participants. On the other hand, OCPE can also potentially replace in-person offerings in some cases, possibly reducing the demand for in-person activities. The scope of this Ad Hoc Committee is limited to considerations for online asynchronously delivered offerings, but it is possible that the recommendations may be of relevance to blended and offline programs.

OCPE at MIT

The public visibility of OCPE, its growth nationally and globally, and its increasing relevance in many sectors, provides an opportunity for MIT to meet additional learning needs of people beyond our academic offerings and on-campus professional offerings. OCPE offerings can help further enhance MIT's reputation and can serve those we do not currently reach, including providing access for professionals in underserved groups and regions, both nationally and globally.

MIT's OCPE offerings have been growing relatively rapidly. Continuing and professional education at MIT, both online and on campus, grew by about 40% from FY17 to FY21 as measured by revenue. In that time period, the percentage of that revenue from OCPE offerings (online asynchronous) grew from 23% to 58%. This growth started in FY19 and the first half of

FY20, prior to the pandemic, but much of the increase was also during the pandemic and thus it remains to be seen how things unfold longer term.

But with this growth has come increasing challenges, including sustainability of the growth, coordination among offerings, quality of offerings, inconsistencies in agreements and relations with online education vendors, and frictions between units regarding offerings, staffing, and revenues. For instance, such challenges have included competition between units, often focused on revenue aspects, as well as offerings undertaken without consulting units that have highly relevant expertise. They have also included department heads not being consulted regarding offerings involving their faculty, vendor actions that are misaligned with MIT's mission and objectives, and confusion for learners regarding offerings. In addition, existing rules requiring that engagement with external vendors be managed by one of the approved OCPE organizations (Professional Ed, Sloan Exec Ed, or Open Learning xPro) are not uniformly followed.

These challenges call for mechanisms for ensuring coordination and quality of offerings, consistency of revenue distribution, and improved differentiation among related offerings.

The following parties are all variously involved in the creation and delivery of OCPE offerings:
(i)   faculty creating and delivering the material;
(ii)   relevant school(s)/college;
(iii)   relevant department(s);
(iv)   other unit(s) engaged in the content development;
(v)   a provost-approved OCPE organization – one of Professional Ed, Sloan Exec Ed, or Open Learning xPro;
(vi)   a provost-approved external vendor (if any).

To achieve high quality outcomes, these parties all need to all be engaged or consulted in the scoping, development, naming, and positioning of an offering so that it is focused on the needs of professionals and draws on relevant MIT expertise. It is important that the development of an offering be coordinated with relevant parts of MIT in order to ensure a coherent and high-quality overall set of offerings. For instance, there may be units and faculty expertise that should be consulted or involved in order to provide quality or clarity. These kinds of considerations are in many ways analogous to those for the creation of centers and initiatives, which are reviewed by Academic Council for overall coordination and consultation across MIT.

RECOMMENDATIONS

To achieve the objective of improving the role of OCPE in realizing the Institute's mission of serving the nation and the world, increasing our impact by broadening and deepening our connections with individuals and organizations, and addressing current frictions in the process of developing and providing OCPE offerings, we make the following recommendations. We offer these recommendations with the view that they are an important starting point to

improving OCPE at MIT, and that continued advancement will require ongoing assessment and revision.

1. **Adopt mechanisms for coordinating and approving OCPE offerings**, which reflect the distinct nature of OCPE compared to academic subjects, particularly the importance of a focus on professional learners. These mechanisms should be relatively lightweight, analogous to the process for approving centers and initiatives, rather than processes such as those for approving academic subjects (and distinct from MITx offerings which are MIT academic subjects). In addition to applying these mechanisms to new offerings, it is important to also review existing offerings that may have been created without engagement of relevant parties (including "grandfathered" arrangements). This review and resulting transition of such offerings should be completed within two years of adoption of this mechanism. It will likely also prove important to periodically review existing offerings to ensure their continued relevance in light of changes in learner needs and in other available offerings.

   Drawing on the process of Academic Council review for centers and initiatives, we recommend that MIT OCPE offerings be approved by an OCPE subgroup of the Deans Group of the Academic Council (the "OCPE Subgroup"). The membership of the OCPE Subgroup, including its chair, would be set by the Provost. Approval from the OCPE Subgroup would be required for all OCPE offerings that use the MIT name or involve a contract with MIT, whether undertaken with an external vendor or directly by MIT, including those provided in bulk "catalog sales" to an organization. (As noted above, this does not include online synchronous delivery offerings, the in-person component of blended offerings, fully in-person offerings, MITx or other online MIT subjects, or activities of individual faculty that do not use the MIT name.)

   To enable this approval process, we recommend the creation of an OCPE Preparatory Committee composed of leaders from each of the provost-approved OCPE organizations (Professional Ed, Sloan Exec Ed, and Open Learning xPro). The membership of this committee, including its chair, would be set by the Provost. Under the leadership of the OCPE Subgroup, the Preparatory Committee would develop and provide support for review and approval processes and assist in preparing individual proposals for review.

   The approval process would be rapid for proposed offerings that have addressed specified criteria and consulted with the six types of relevant parties identified above. The specific criteria and consultation guidelines would be developed by the Preparatory Committee under the guidance and approval of the OCPE Subgroup and be part of the proposal submission. These are expected to include elements such as: clear articulation of learning objectives and relation to the syllabus; composition of the team and faculty expertise related to the objectives and syllabus; coordination and alignment with the heads of other units at MIT relevant

to the topic; coherence and relation with other MIT OCPE offerings; potential impact and market need for the offering; planned revenue distribution; any involvement of others in content development or delivery; approval from department head(s) of the faculty involved.

2. **Enforce the existing requirement that one of the three approved OCPE organizations (Professional Ed, Sloan Exec Ed, or Open Learning xPro) be engaged in the management of any OCPE offering from MIT**, and that this organization manage the relationship with any external vendor. As above, this review and resulting transition of offerings that do not follow this requirement should be completed within two years. Note that any additional OCPE organizations beyond these three must be at the school/college level and must be approved by the provost.

   To help ensure this requirement is followed, purchasing should not approve any new contracts or renewals with OCPE vendors that are not managed by the OCPE organizations and should seek to update any existing contracts that are not compliant.

   While one of the OCPE organizations must manage the external vendor for any offering, the level of involvement in the content development by the OCPE organization can vary from nothing to a substantial role as discussed further below.

3. **Issue certificates for OCPE offerings that are from the school/college(s)** except for offerings where the provost approves the use of an MIT certificate upon the recommendation of the OCPE Subgroup. Certificates may not be issued by any other part of MIT.

   Focusing on school/college certificates (including certificates that are offered by a combination of multiple schools/college) serves to better differentiate offerings that are distinct from one another but seem similar when MIT-wide certificates are used. For instance, an offering on entrepreneurship from the Sloan School of Management versus from the School of Engineering would naturally be perceived as quite different solely based on the certificate issuer. The school(s)/college issuing a certificate for an offering must be approved by the corresponding dean(s) or their delegate(s). The use of MIT certificates would be for offerings that span MIT in a way that is not well captured even with schools/college issuing joint certificates.

4. **Utilize a uniform framework across MIT for distributing OCPE revenues**, which serves to align incentives and reduce the potential for financially driven competition among units or among MIT OCPE organizations (Professional Ed, Sloan Exec Ed, or Open Learning xPro).

   While there are currently a number of revenue distribution models, the current

"baseline" distribution of *net* revenue is an equal division into four parts.

   a) 25% to the offering faculty, paid as royalties,
   b) 25% to the unit(s) undertaking content development and delivery for the offering,
   c) 25% to the approved OCPE organization for the offering,
   d) 25% to the provost.

The term *net* revenue is defined for these purposes as follows. In the case of an external vendor that provides marketing, distribution, and production services for 50-70% of the gross revenue, the remaining 30-50% that comes to MIT is net revenue. In the case that MIT units provide these services instead of an external vendor, their costs are reimbursed from the gross revenue in order to determine the net revenue. Such internal MIT costs need to be part of an approved template that would be developed and approved by the Provost. Note that if the faculty are compensated by some unit for time spent creating materials, this must be handled as an advance on that faculty member's royalties and reimbursed to the unit from the faculty member's initial share, not as part of the determination of overall net revenue.

There currently are approved exceptions to the baseline approach where the provost receives 10% and additional amounts are distributed to the categories (b) and (c). There also are unapproved exceptions where a unit directly manages interactions with an external vendor. As discussed above, existing offerings need to be brought into compliance with the requirement that an approved OCPE organization manages all engagements, and moreover that revenue is distributed in an approved manner.

The aim of the revenue framework is to reflect the value creation and effort spent for an offering as well as that of the underlying academic environment that makes offerings possible, while at the same time not facilitating "revenue windfalls" for relatively low value and/or low effort activities.

We recommend that the net revenue, as defined above, be distributed according to the following framework. For each proposed offering, the specific planned revenue distribution based on this framework would be approved by the OCPE Subgroup.

   a) 25% to the offering faculty, paid as royalties,
   b) 40% to be split among the units undertaking the content development, delivery, and administration, including the approved OCPE organization, with amounts expected not to be above 25% to any DLC or OCPE organization for these functions except as approved by the Provost,
   c) 15% to department(s), based on the offering faculty,
   d) 10% to the school(s)/college, based on the offering faculty,

e) 10% to the provost.

This compares with the baseline approach of four-way equal distribution as follows.

- Provides the same 25% to faculty.
- Reduces the senior administration portion from 25% to 20% and splits it equally between the provost and the relevant deans.
- Provides 15% to department(s) of the offering faculty, given their role in the academic environment underlying OCPE offerings.
- Explicitly recognizes that the content development, delivery, and administration involve collaboration of multiple units, and generally limits the amount that any DLC or OCPE organization can receive for these functions to the same 25% level as the baseline approach.
- Requires review and approval of the proposed specific distribution as part of the overall approval process, with the expectation that there will be templates that guide (b).

As noted above, in cases where faculty receive an upfront payment it will be an advance on royalties, by analogy with books. Such advances paid by unit(s) undertaking the content development would be reimbursed to those unit(s) out of each such faculty member royalty share.

Some parts of MIT do not make the full set of distinctions between categories (b)-(e), in which case combining revenues across categories would be consistent with this framework without need for an exception. For instance, as Sloan School does not formally have separate departments 65% would go to the school to be used according to its own internal accounting. Any such combined structures would need to be approved by the Provost and be part of broader operations of MIT rather than primarily for continuing and professional education. Similarly, certain collaborative arrangements may also not make the full set of distinctions, for example Sloan School and the College of Computing have a set of offerings for which it has been agreed that the overall effort will be approximately equal and thus the revenue split is equal. If faculty from other units are part of such offerings, the revenue in (c)-(d) would still be distributed according to the above unless otherwise agreed to and approved in the OCPE Subgroup review.

5. **Ensure that offerings are generally led by MIT professors, senior research scientists, and senior lecturers**, except as approved by the relevant dean(s) or VPR.

This is consistent with the MIT Outside Professional Activities (OPA) policy and MIT supplemental compensation rules. Time spent on OCPE activities must be included in and reported as OPA. Those holding a position that does not include OPA time must adjust their base compensation appropriately as approved by the relevant dean(s) or VPR.

(Note that this does not replace the above requirement that all participants need to be approved by their department or unit head as part of the offering approval process.)

6. **Require approval from the relevant dean(s) or VPR for any individual where annual payments for an OCPE offering would be above some specified level** such as that for in-person professional education, with the remainder either deferred to be paid subsequently (without interest) or distributed to discretionary accounts as approved.

7. **Present prospective learners with a coherent, navigable landscape of MIT OCPE offerings** that address topics relevant to them, facilitate discovery of appropriate material, and support learners in making informed choices about appropriate offerings for their needs.

   In support of this, the approved OCPE organizations should work with the OCPE Subgroup to develop a taxonomy of topic areas. Open Learning has developed such a listing which could be the basis of this. The OCPE providers should also develop common interfaces or shared databases to support prospective learners as well as to readily share information with the OCPE Subgroup.

8. **Develop consistent terms for external vendor contracts** to the maximum extent possible, except when differences are in response to particular needs as endorsed by the approved OCPE organizations and the OCPE Subgroup. For instance, contracts should specify an approved OCPE organization as the administrative point of contact for each offering. Contracts should also specify that vendors provide MIT with information they collect about learners and leads they generate from MIT offerings and should provide MIT the right to use this information for marketing other MIT OCPE offerings (regardless of vendor or MIT provider). Moreover, if there are multiple MIT contracts with a given vendor, they should reflect a coherent approach across MIT.

9. **Develop awareness of OCPE, its potential value, and the rules governing it.** The level of awareness of OCPE is highly variable across MIT, sometimes even within a single department. This can unnecessarily exacerbate or create tensions, as well as result in missed opportunities. The OCPE Subgroup and Preparatory Committee should work to help build common understanding and communication regarding OCPE, as well as helping disseminate the kinds of uniform processes and rules in these recommendations.

10. **Move forward with momentum.** It is important to rapidly adopt and implement the kinds of recommendations in this report, both for new and existing OCPE offerings,

so as to improve the learner experience, ensure MIT quality offerings, and reduce frictions resulting from the current lack of a consistent and balanced approaches.

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