COMMITMENT
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FACT SHEET

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University of California
It Makes Limited Use of Online Program Management Firms but Should Provide Increased Oversight

Background

Online courses and programs have become increasingly common in higher education. To support online programs, many universities and colleges, including the University of California (UC), work with third-party vendors known as online program managers (OPMs). OPMs provide support services such as marketing, recruiting, course development, technology-related support, and instruction. The Joint Legislative Audit Committee (JLAC) directed our office to examine the partnerships between OPMs and UC, the level of transparency provided to prospective students, the quality of instruction provided, the level of student satisfaction with associated courses or programs, student outcomes, and compliance with federal and state laws. In this audit, we examined UC's use of OPMs at five campuses—University of California, Berkeley (UC Berkeley); University of California, Davis (UC Davis); University of California, Los Angeles (UCLA); University of California, San Diego (UC San Diego); and University of California, Santa Barbara (UC Santa Barbara).

Key Findings

» Although UC makes limited use of OPMs, it is not always transparent about its OPM partnerships or their benefits to students.

- UC campuses' graduate and continuing education divisions had 51 contracts with OPMs in effect as of January 1, 2023. They did not contract with OPMs to provide instruction to graduate or undergraduate students.
- The five campuses that we examined provided prospective students with incomplete or misleading information about the OPMs' involvement in some programs and the value of those programs.

» UC extension units have not provided consistent oversight of OPM instruction.

- Most campuses could not provide documentation that they consistently adhered to their course and instructor approval processes for courses taught by OPM instructors.
- Santa Barbara Extension did not have a process in place to approve OPM instructors.

» Campuses lack systemwide guidance from the UC Office of the President (Office of the President) on contracting with OPMs.

- The Office of the President has established guidance prohibiting incentive compensation that applies to undergraduate students but not to graduate or continuing education students. Although the contracts we reviewed generally aligned with federal laws on incentive compensation, some included payment terms, such as tuition revenue sharing, that may elevate the risk of OPMs using questionable recruiting practices to increase their revenue.
- In several instances, UC campuses outsourced key services to OPMs, despite guidance against doing so from the WASC Senior College and University Commission. However, there is no systemwide guidance from the Office of the President about how best to contract with OPMs.

Key Recommendations

» To promote practices that will mitigate the risks of using OPMs, the Office of the President should create guidance for UC's use of OPMs. The guidance should address several items including transparency about an OPM's involvement in education programs, expectations for the review of marketing and recruiting materials associated with programs that involve an OPM, and campus oversight of OPMs that provide instruction.

» To provide transparency to prospective students regarding course instruction, the five campuses examined in the audit should engage with relevant stakeholders regarding creating or amending their policies or processes to require that course descriptions and program websites include information about the partnership between an OPM and the campus. Such information may include a description of the OPM's roles, identification of OPM instructors, and disclosure of any nonrefundable deposits or fees. Additionally, the campuses should establish a policy to review the program websites associated with OPM-supported programs to ensure that the information is current and accurate.