

Cost Analysis of Developing an Online English Language Program

Julie A. McGeorge

University of Maryland Global Campus

OMDE 606: Costs and Economics of Distance Education & E-learning

Dr. Pascal Roubides

November 1, 2020

Cost Analysis of Developing an Online English Program

This cost analysis focuses on a distance education (DE) English language program for non-native English-speaking students enrolled in other schools or programs at McGeorge University, specifically six levels (B2.1-C1.3) across two bands (B and C) aligned to communicative descriptors of the Common European Framework of Reference (CEFR), highlighted below in gray in Table 1. According to the CEFR, it takes approximately 200 hours of “guided learning hours” (Cambridge Assessment English, n.d.) to move from one band to the next (e.g., from band B2 to C1). At 72 hours per level/semester, and three terms per year, this totals 216 hours per band, which can allow for 16 *extra* hours of study for assessment, remediation, etc. According to a single English language course cost analysis by McGeorge (2020), the break-even point over 11 terms requires enrollment of eight students per term.

The urgency of a successful English language program at McGeorge University is highlighted by the fact that according to NAFSA: Association of International Education (2014), 22% of undergraduate students, all the way up to 49% of doctoral students cited “English language skills [as] a significant cause of attrition.” Even if international students are successful in other subject areas at their respective universities, “more than 60% fail[] the University’s English writing proficiency requirement” and more consistently receive low grades in English language courses (Fass-Holmes, 2016, p. 939). All colleges, schools, and other established programs at McGeorge University have English language requirements that can be accommodated by the proposed English language program. This report outlines the startup costs to launch the DE program, as well as maintenance costs once the program is up and running and shows that the proposed English language program—in addition to being of high quality and aligned to internationally recognized benchmarks—is cost effective and scalable.

Table 1*CEFR Reference Levels and Language Classes Concordance*

Basic User Band A	A1.1	A1.2	A1.3
	A2.1	A2.2	A2.3
Independent User Band B	B1.1	B1.2	B1.3
	B2.1	B2.2	B2.3
Proficient User Band C	C1.1	C1.2	C1.3
	C2 (mastery/near-native fluency)		

A robust international student population not only promotes diversity (including diversity of ideas), but also enables institutions like McGeorge University to “attract a larger share of full-tuition-paying students” (Gautz, 2014 as cited in Choudaha & Schulte, 2014, p. 2). Consider the opportunities then, of an English language program designed for DE; such a program has the potential to accommodate even more learners and cut costs for McGeorge University. After all, “[a]ttracting international students to US campuses is a costly endeavor, and so is the financial loss for an institution if the students are not retained” (Choudaha & Schulte, 2014, p. 2). A successful DE English language program can help mitigate the costs associated with in-person international students. DE can be seen as a burden for some “campus-based institutions,” which may “rely upon the recruitment of learners within a geographic catchment” (Elloumi, 2004, p. 66). Especially with the challenges of face-to-face classes during the ongoing pandemic, new and improved DE programs are valid and timely considerations.

Development Costs

In order to develop a successful and cost-effective online English language program, it is critical to define development costs like technology, staff, training, etc. that are necessary to run courses each term and each academic year.

Fixed Costs

For a single course in the program (e.g., B2.1), it costs \$500 for a subject matter expert (SME) to establish development guidelines, \$2500 for an Instructional Designer (ID) and the SME to develop a scope and sequence, and \$650 for external technology training (ZipRecruiter, 2020d). While the full program is comprised of six courses, this does not mean that these fixed costs need to be duplicated six times. Rather, the work done by the SME independently and the SME and ID collaboratively would simply be doubled, once for the B2 band and once for the C1 band; development guidelines and scope and sequence (S&S) should be developed per band, not per single course. External technology training, however, would need to be a fixed cost per instructor. For example, if six courses are taught by six different instructors, each of those instructors would need technology training. For the purposes of this report, assume that each course has a different instructor; obviously after the first semester of teaching, technology training would only be necessary if significant upgrades or changes were made to the platform being used. This means that while the fixed development cost for a single course in the program is \$3650, the fixed cost to develop a full program is \$9900 (see Table 2 “Fixed Development Costs,” below).

Variable Costs

Variable development costs include hourly or unit costs. For a single course in the program it costs:

- \$1344 for the SME to source materials in the public domain (PD) or to commission materials like dialogues and readings (ZipRecruiter, 2020c);
- \$888 for an ID to develop lesson plans (LPs) based on the dialogues and readings (2020a);

- \$560 for the SME to provide feedback on the ID's LPs (2020c);
- \$468 for the ID to implement SME feedback (2020a); and finally,
- \$1152 for a Learning Management System Administrator to be available for support and stability (2020b).

While it is reasonable to assume that during the process of working together and establishing expectations and standards, the SME and ID would be able to more expediently plan lessons and provide and implement feedback, it is still prudent to assume that these costs would be incurred at least for the first term of instruction. Subsequent terms would see this cost decrease as economies of scale arise, especially if the same dedicated team of SME and IDs are involved in course (and therefore, program) upkeep, because “learning by repetition [] reduces costs as practitioners progressively... develop[] solutions to operational problems, eliminate unnecessary processes and develop the specific skills needed for efficient operation” (Morris, 2008, p. 332). It is also safe to assume that while one LMS administrator working 36 hours would be sufficient for a single course, an entire program would require more LMS administrators (but would not necessarily affect the cost per unit or hour, so the baseline hourly rate would stay the same at \$32/hour). This means that while the variable development cost for a single course in the program is \$4412, the variable cost to develop a full program—for the first year—is \$9900 (see Table 2 “Fixed Development Costs,” below).

Delivery and Ongoing Operation Costs

Delivery and ongoing operations costs to be considered in developing an English language program at McGeorge University include the technology suite that students and instructors will be expected to use, along with the course feedback and feedback implementation, which—at a course level—costs:

- \$150 for a Zoom package; each package is for 100 participants (Zoom, 2020);
- \$150 for a Pear Deck package, per instructor/per year (Pear Deck, 2020);
- \$896 for the SME to provide course feedback (ZipRecruiter, 2020c); and finally,
- \$444 for the ID to implement course feedback (2020a).

For the first year of the program, these costs should be replicated for each course. As the program continues, the latter costs related to SMEs and IDs should hold steady (other than accounting for changes in hourly wage) and then decrease as/if instructors, SMEs, and IDs work together for extended periods of time, just as with the variable costs, as materials produced and revised for LPs and courses should not need to be subjected to complete overhauls or significant revisions each term. Additionally, there could be cost savings if a single instructor teaches more than one class (thereby using the same Zoom and Pear Deck accounts) or if shared accounts are created for Zoom and Pear Deck while the overall program builds toward 100 participants. Initially, it makes sense to provide each instructor their own Zoom and Pear Deck accounts so that instructors can practice using the tools in their own time without fear or making mistakes or changes that would affect another instructor or content. With the Zoom function of recording and screen sharing, as well, there is the opportunity to capture some degree of digital footprints of instructors as well.

Overview of Decisions Needed and Options to Be Considered

While there are certainly assumptions to be made in drafting this proposal, there are additional outstanding questions and considerations that should be firmed up. Frank and Hovey (2014) remind us that “a good decision-making process always starts with clearly defining the decision at hand” or “identify[ing] their most crucial student performance need(s)” (p. 4). Answers to the following questions will help shape the online English language program at

McGeorge University as their responses will help paint a picture of current offerings in more concrete detail.

- Which colleges, schools, or programs at the university have English language requirements? What are these requirements? Upon which standards and international exams (e.g., TOEFL, IELTS) have they been based?
- What is the most recent attrition rate for international students or non-native speaking students?
- What supports or remediation/interventions are currently in place for struggling language learners (e.g., financial, educational)?

Finally, This proposal suggests using zoom as the course delivery platform and takes a low materials and technology approach; as such it could easily be adapted for any existing, common technology platforms or tools that may be used campus-wide (Morris, 2008).

Table of Data Needed for Cost Analysis

The table below compiles cost analysis data and categorizes figures according to startup and ongoing operational costs; the table also further breakdown costs into subcategories (e.g., fixed development costs, variable development costs, etc.). This table provides both a holistic overview from a cost perspective while also including relevant granular details in support of the overall program cost. Figures here and throughout are explained and justified in the prose of this report and are based on preliminary course-level cost analysis outlined by McGeorge (2020).

Table 2

Data Needed for Cost Analysis

Startup		
Cost Element	Description	Comment

Fixed Development Costs	SME establish development guidelines	\$1000
	SME and ID develop S&S	\$5000
	Technology Training (per course)	<u>\$3900</u>
		\$9,900 (total)
Variable Development Costs	SME sources PD or commissions materials	\$8064
	ID develops LPs around SME materials	\$5328
	SME provides feedback on LPs	\$3360
	ID implements LP fdbk	\$2808
	LMS Administrator	<u>\$6912</u>
	\$26,472 (total)	
Ongoing Operation		
Cost Element	Description	Comment
Course Maintenance	Zoom package	\$900
	Pear Deck package	\$900
	SME provides course feedback	\$5376
	ID implements course feedback	<u>\$2664</u>
	\$9,840 (total)	

Conclusion

McGeorge University has the opportunity to establish to a globally competitive online English language program. Not only will the students of this program benefit from a robust program aligned to international standards, but they will be able to use this language knowledge as they navigate other programs at the University. In this sense, an English language program has the potential to elevate the reputation of any new or existing DE program with which it partners or supports.

An English DE program also has the potential to open up McGeorge University to diverse international student populations that may not have been able to consider a face-to-face experience at McGeorge University thus far. The communicative nature of the proposed English language program allows for little reliance on complicated technology and accounts for materials commissioned by the staff, resulting in a cost-effective, scalable English language program that will be a relatively painless value-add as a component of existing program paths.

References

- Cambridge Assessment English (n.d.). Guided Learning Hours. Cambridge Assessment.
<https://support.cambridgeenglish.org/hc/en-gb/articles/202838506-Guided-learning-hours>
- Choudaha, R., & Schulte, S. (2014, November). Improving the experiences of international students. *Change: The Magazine of Higher Learning*, 46(6).
Doi:10.1080/00091383.2014.969184
- Council of Europe. (2020). The CEFR levels. Common European Framework of Reference for Languages (CEFR). <https://www.coe.int/en/web/common-european-framework-reference-languages/level-descriptions>
- Elloumi, F. (2004). Value chain analysis: A strategic approach to online learning. In T. Anderson & F. Elloumi (Eds.), *Theory and practice of online learning* (pp. 61-96). Athabasca University.
- Fass-Holmes, B. (2016). International undergraduates' retention, graduation, and time to degree. *Journal of International Students*, 6(4). <https://files.eric.ed.gov/fulltext/EJ1125580.pdf>
- Frank, S., & Hovey, D. (2014). Return on investment in education: A “system-strategy approach.” *Education Resource Strategies*. <https://www.erstrategies.org/cms/files/2466-return-on-investment-in-education.pdf>
- McGeorge, J.A. (2020, October 6). Cost analysis to develop an undergraduate English language course [Unpublished paper]. University of Maryland Global Campus.
- Morris, D. (2008, June). Economies of scale and scope in e-learning. *Studies in Higher Education*, 33(3), 331–343.
- NAFSA: Association of International Educators (2014). *Mind the Gaps, Please!* NAFSA

International Student Retention Research. <https://www.nafsa.org/professional-resources/browse-by-interest/nafsa-international-student-retention-research?login=success>

Pear Deck. (2020). Simple, transparent pricing. peardeck.com/pricing

ZipRecruiter. (2020a). Instructional Designer salary.

<https://www.ziprecruiter.com/Salaries/Instructional-Designer-Salary>

ZipRecruiter. (2020b). LMS Administrator salary. <https://www.ziprecruiter.com/Salaries/LMS-Administrator-Salary>

ZipRecruiter (2020c). Subject Matter Expert salary.

<https://www.ziprecruiter.com/Salaries/Subject-Matter-Expert-Salary>

ZipRecruiter (2020d). Technology trainer salary.

<https://www.ziprecruiter.com/Salaries/Technology-Trainer-Salary>

Zoom. (2020). Choose a plan. zoom.us/pricing