ONE FACULTY ONE RESISTANCE

aaup
AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

Primer on Privatization in Online Higher Ed

This document is meant as a primer and conversation starter for chapters facing privatization through online education programs and should be used with the planning and strategy documents in the AAUP Education Not Privatization toolkit. To access sample language for resolutions or letters of agreement, please visit this member-only page. For additional support educating and organizing on these issues, feel free to email privatization@aaup.org.

What Is "Privatization"?

Faculty across the country are experiencing the privatization of core academic functions in higher education. For-profit online education corporations like Academic Partnerships, Kaplan, Wiley, Pearson, and Blackboard contract with institutions to provide digital platforms for educational content, recruit students, manage enrollment, facilitate the development of course materials, and more. According to a Century Foundation report, the vast majority of US public colleges and universities that offer online education programs or courses now rely on external companies.

The external companies contracting with higher education institutions to facilitate online offerings typically fall into three categories: online program managers (OPMs), learning management systems (LMSs), and for-profit colleges. OPMs like Pearson or Academic Partnerships can often play a hands-on role in developing course content, marketing, student recruitment, and enrollment. Alternatively, LMS companies like Blackboard may limit their services to overseeing the platform that hosts course content developed by the institution and providing user support. Finally, some for-profit colleges partner with traditional higher education institutions on online education, as in the arrangement between Kaplan and Purdue University.

External companies in all three categories play a role in the privatization of core academic functions in higher education and may introduce problems in areas of interest to faculty. For the purposes of a broad discussion about privatization within online education, all three types are referred to here as for-profit online education corporations.

What's at Stake?

While the use of digital platforms and online teaching tools can enrich higher education, the for-profit nature of these contracts can cause problems for shared governance, academic freedom, educational quality, student privacy, and the reputation and sustainability of the institution. The following is a brief look at what could be at stake and why.

Shared Governance

Faculty participation in the development of online offerings is critical to ensuring that academic freedom, educational quality, student privacy, and reputation of the institution meet the highest standards. Unfortunately, real faculty participation is often lacking. In an informal AAUP online survey, more than 400 respondents spoke up about their experiences with online education at their institutions and over half reported that the contracts were developed and finalized by their administrations without shared governance. Specifically, 57 percent of respondents disagreed with the statement “faculty exercised oversight of the education components of the contract.” This lack of faculty oversight is a departure from the shared governance principles outlined in AAUP’s Statement on Government of Colleges and Universities, which states that “faculty has primary responsibility for such fundamental areas as curriculum, subject matter and methods of instruction, research, faculty status, and those aspects of student life which relate to the educational process.” Shared governance may be increasingly at stake in online higher education if faculty do not insist on deep involvement in the development of new “methods of instruction,” including the selection process for and reviewing contracts with for-profit online education corporations.

Academic Freedom

Many for-profit online education corporations require users, including students and faculty, to sign a Terms of Use or End User agreement for access to the platform. Such agreements often contain an obscenity clause that prohibits material vaguely defined as pornographic or obscene from the online platform and authorizes the editing, modification, or removal of items perceived to be obscene. In their successful efforts to shape quality online education at Rutgers University, AAUP-AFT Rutgers called faculty attention to an obscenity clause contained within Pearson’s agreement, arguing that such restrictions to course curriculum undermine academic freedom. Their argument was based on the idea in the 1940 Statement of Principles on Academic Freedom and Tenure, jointly issued by the AAUP and the Association of American Colleges and Universities, that the “common good depends upon the free search for truth and its free exposition” and so “teachers are entitled to freedom in the classroom in discussing their subject.” Academic freedom may be at stake in such agreements, especially for faculty in disciplines like art history, literature, or sociology, whose curriculum may include material that some consider obscene, or discuss notions of the obscene. It is up to faculty to remind colleagues and administrators that faculty are not obligated to use a tool or product that restricts their curriculum or ability to discuss their subject in the classroom.

Quality

The for-profit nature of these contracts–which enable online education corporations to collect millions of tuition dollars annually per institution–raises questions about how educational quality could take a backseat to the demands of the market if faculty are not actively involved in the process. For example, could there be an increase in the already mounting pressure at institutions to cut instructional costs to generate more revenue? In its work to actively shape quality online education at Eastern Michigan University, EMU-AAUP has fought against pressure from Academic Partnerships to cut costs by using more part-time instructors. Educators know well that such instructional cost cuts lead to the exploitation of faculty, to part-time, under-resourced positions, and to the erosion of academic freedom. As a result, they diminish the quality of the experience in the classroom. To defend against these cuts, EMU-AAUP proposed a letter of agreement with the administration that includes a clause prohibiting the use of “coaches or teaching assistants employed by Academic Partnerships or its strategic partners for instructional duties regularly performed by tenured or tenure-track faculty.” This is the kind of faculty action that can help defend quality. In situations where a for-profit online education corporation plays a leading role in developing, marketing, and running online offerings, and a public institution is faced with shrinking state appropriations, we can expect pressure to increase class sizes, increase tuition, or cut instructional costs in order to generate more revenue. Faculty can help mitigate these situations.

Privacy

Student data, such as academic interests, application history, and contact information, have become increasingly valuable in online education because data can be used to generate leads for new students. As a result, students’ privacy may be at risk if their data is funnelled into marketing and recruitment for the online education industry. For example, of the one hundred contracts reviewed by the Century Foundation, several agreements held by Academic Partnerships and 2U include specific clauses enabling the use of student data by the corporation for “targeted marketing” to students who have shared their information with the program or similar programs. In short, these contracts allow the circulation of student information to help grow the online education market and may result in the selling of student data to for-profit colleges, many of which have engaged in predatory marketing and recruitment practices and false claims to students. Alternatively, the Century Foundation report shows that some contracts do not comment one way or the other about student data privacy while others explicitly offer privacy protections. There are different ways student data can be addressed and there is potential for the exploitation of student privacy in online education. Faculty can help defend student privacy by reviewing the contract for language about student data usage and offering suggested language for stronger protections if needed.

Reputation

Ultimately it is the respected brand of the institution that makes the online offerings marketable, and while for-profit online education companies may generate profit for themselves and revenue for the institution, this may come with costs to the reputation of the institution. As industry leader and head of Academic Partnerships Randy Best has noted,"public universities' brands are the gold standard around the world.'" The danger to universities is that this gold can be tarnished. This danger has been at the core of the Purdue Global controversy. When Purdue University acquired Kaplan University 2017, it acquired a for-profit college with a record of predatory behavior and enabled it to assume the name and trappings of a leading Indiana public research institution. Soon after, Purdue AAUP members and higher education advocates revealed restrictive practices at Purdue Global including nondisclosure agreements and prior restraint against faculty and forced arbitration against students. These for-profit-industry-style practices earned Purdue University national reproach from faculty, students, and advocates, including US Senators Dick Durbin (D-IL) and Sherrod Brown (D-OH). The impact of these practices has not been a net positive for the reputation of the university.

Sustainability

The sustainability of financing online offerings may also be an issue. Steady drops in state funding have created the need for new revenue streams at institutions. As a result, institutions invite more opportunities to contract with for-profit online education corporations to launch or expand online offerings they feel unprepared to develop in-house. To finance these offerings, some companies contract for a flat fee while others bear the cost of development upfront and recoup the expense by a huge margin later through revenue-sharing agreements spanning decades, which collect 50 percent or more of tuition generated through the program. This kind of revenue sharing may prove to be unsustainable in the long term, especially considering how the online education contract may support practices that diminish the quality or reputation of the institution, the eventual drop in cost to develop and run online programming, and the availability of non-proprietary open-source online learning platforms. Faculty have the power to review and propose more sustainable alternatives.

Sources

American Association of University Professors. 1940. *1940 Statement on Principles on Academic Freedom and Tenure*. https://www.aaup.org/report/1940-statement-principles-academic-freedom-and-tenure.

American Association of University Professors. 1966. *Statement on Government of Colleges and Universities*. https://www.aaup.org/report/statement-government-colleges-and-universities.

Bangert, Dave. 2018. "Bangert: Purdue Global Called Out by Profs Over Confidentiality Agreement." *Journal & Courier*, August 22. https://www.jconline.com/story/news/2018/08/22/bangert-purdue-global-confidentiality-agreement-called-out-faculty/1064101002/.

Campaign for the Future of Higher Education. *The 'Promises' of Online Higher Education Profits*. https://www.futureofhighered.org/post/promises-online-higher-education-profits.

Offices of Senators Dick Durbin and Sherrod Brown. 2018. “Durbin, Brown Urge Purdue University Board To End Practice Of Mandatory Arbitration For Enrollment At Global University,” September 19. https://www.durbin.senate.gov/newsroom/press-releases/durbin-brown-urge-purdue-university-board-to-end-practice-of-mandatory-arbitration-for-enrollment-at-global-university.

Office of Senator Tom Harkin. 2012. *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success*. https://www.help.senate.gov/imo/media/for_profit_report/Contents.pdf.

Additional Recommended Reading

AAUP-AFT Rutgers. 2013. “Dispute between Rutgers faculty and Pearson, Inc.” http://www.rutgersaaup.org/get-involved/dispute-between-rutgers-faculty-and-pearson-inc.

National Education Association Research Center. 2004. Higher Education and Privatization, March. https://www.nea.org/assets/docs/HE/vol10no2.pdf.

Newton, Derek. 2016. “How Companies Profit Off Education at Nonprofit Schools,” The Atlantic, June 7. https://www.theatlantic.com/education/archive/2016/06/for-profit-companies-nonprofit-colleges/485930/.

Pew Trusts. 2015. F*ederal and State Funding of Higher Education: A Changing Landscape*, June 11. https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2015/06/federal-and-state-funding-of-higher-education.

Purdue University Global, “End User Agreement.” https://www.purdueglobal.edu/user-agreement/.