

Creating More Consistency in Cost Savings and ROI Metrics to Build the Case for OER

Wednesday, August 18, 2021



Resources available on the MHEC website post-event.



Submit questions in the Q&A.



Please complete our survey.

Moderators



- **Jenny Parks**
Vice President
MHEC



- **Annika Many**
Consultant
MHEC

About MHEC



- Midwestern Higher Education Compact (MHEC) was legislatively created and serves the Midwest census region (12 states)
- Governed by 60 commissioners plus commissioner alternates
- One of four regional higher education compacts (MHEC and New England Board of Higher Education, Southern Regional Education Board, and the Western Interstate Commission for Higher Education)

National Consortia for OER (NCOER)

- Support from the Hewlett Foundation
- Partnership between the four higher education regional compacts
- Coordinated by the WICHE Cooperative for Educational Technologies (WCET)



Cost Savings & ROI

- April 2021, working group of institutional, state and national leaders to help advise its efforts to develop a set of principles to improve consistency and reliability in the field for measuring cost savings & ROI

Questions

Learn more about MHEC's OER work:

Jenny Parks, MHEC Vice President
(612) 677-2779 or jennyp@mhec.org

Annika Many, MHEC Consultant
oer@mhec.org

Today's Presenter



- **Katie Zaback**
Zaback Consulting



**MIDWESTERN
HIGHER EDUCATION
COMPACT**

Webinar

August 18, 2021

Open Education Resources (OER) Cost Savings and Return on Investment

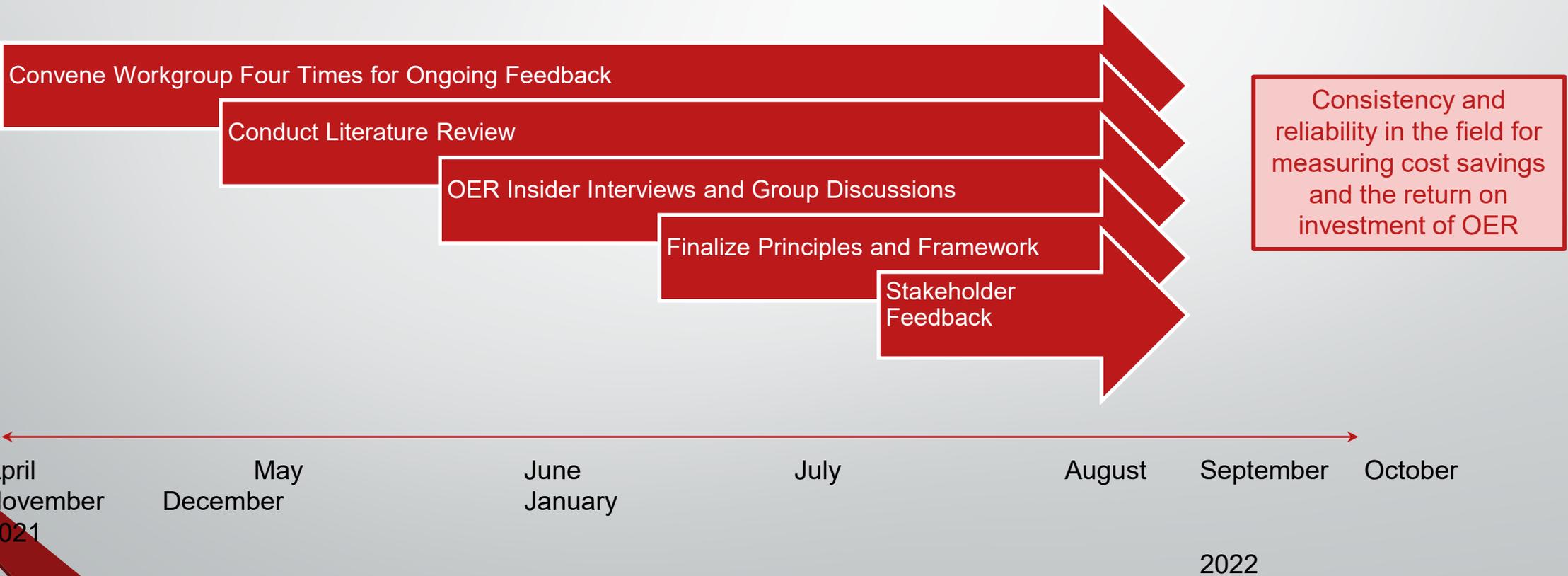
National Consortium for Open Education Resources (NCOER)



SREB

NEW ENGLAND BOARD
of HIGHER EDUCATION 

The Process



OER Cost Savings/ROI Work Group



Amy Hofer, Robert Awkward, Kendra Lake, James Glapa-Grossklag, Scott Hochberg, Nicole Allen,
Eddie Watson, Donna Desrochers, Jeff Gallant, Judith Sebesta, Timothy Anderson, Dale Sanders, Nancy O'Neil

Consultants: Katie Zaback, Zaback Consulting, Anika Many eDBridge Partners

Support Team: Jenny Parks (MHEC), Lindsey Gumb (NEBHE), Charlotte Dailey (SREB), Tanya Spilovoy (WICHE)

What?



We are creating common principles to improve consistency and reliability in the field for measuring cost savings and the return on investment of OER. The final product will make it possible for someone to create and replicate a final number, whether a single number is published as part of this work will be determined through the development process.

Who?



Decision-makers including legislators, system heads, institutional leadership typically asked to make decisions about resource allocation. The final product should also be accessible for students and the public who vote for or support leaders who decide on public expenditures and who make decisions about personal expenditures.

Why?



Advocates need a concise statement that clearly and accurately communicates the value of OER.



Decision-makers want a consensus-based metric to use or customize when measuring the cost savings and return on investment for OER to students and their organization.



Leaders need to understand the good work and progress already created to measure the impact of OER so that they can use it within their efforts.



Practitioners with limited time need a short-cut to help them understand how to communicate cost-savings and the return on investment within their own OER efforts.



We all need to ensure that OER is helping us increase higher education's efforts to increase attainment.

Essential Considerations

There is a complicated tension between the goals of the OER movement and the textbook industry.

Context matters; the principles and framework should allow for multiple contexts including different types of state governance structures, different institution types and different academic subjects.

Consensus is important; the principles will not be perfect, but they should have sufficient agreement across stakeholders so that they align and help unify the field.

The perfect should not be the enemy of the good; the principles and any associated framework should offer a pragmatic approach that most stakeholders could implement or execute.

Key Questions

- What are the current models of cost savings and return on investment in the research and what are their strengths and weaknesses?
- What are best practices for states and institutions already measuring cost savings and ROI?
- What is the difference between cost savings and ROI?
- How is cost savings and ROI different for the state, the student and institutions?
- How should we define OER when measuring cost savings and ROI?
- What is the time horizon for measuring the impact of ROI?
- How do we account for non-monetary costs (i.e.: faculty time, structural changes) and returns (i.e.: student learning, additional access, increased retention, greater equity)?

Working Definition of OER (borrowed from DOERS3)

Open Educational Resources (OER) are defined as instructional materials that are fully accessible and reside in the public domain or have been released under an intellectual property license that permits their free use and re-purposing by others. Open educational resources include full courses, course materials, modules, textbooks, streaming videos, tests, software, and any other tools, materials, or techniques used to support access to knowledge (adapted from the [Hewlett Foundation](#) definition of OER).

Standards from the Field

Cost Savings

(Oregon, North Dakota, Massachusetts, OEN)

- Course Sections
- Student Enrollment
- Multiplier

(Difference between OER and textbook costs)

ROI/Cost Benefit Analysis

(SUNY, Achieving the Dream, Lumen Tool)

Institutional/State Investment

- Course Development Costs
- Faculty Release Time
- Integration Costs
- Loss to Bookstores

Institutional/State Return

- Increased Course Enrollment
- Increased Credit Accumulation
- Improved Retention

Are these the Right Terms?

The Multiplier

Does a textbook cost \$100?



The Benefit

How do we account for benefits beyond costs?



Working Principles

All students should have equitable access to course material

OER resources are at least as good as commercial/all-rights-reserved textbooks at supporting learning and improving outcomes

At least a portion of the costs of OER implementation is not unique to OER because all good course development requires planning and integration of learning material

There is already a significant library of OER available, cost models should distinguish between whether new content needs to be developed or could just be implemented

OER has benefits beyond direct cost savings that should be acknowledged

The goal is for consistency, but to scale we have to expect estimates

You need different levels of specificity depending on the kind of stakeholder you are working with.

What are we missing?

Let us know your ideas!

Jenny Parks,
jennyp@mhec.org

Katie Zaback,
kjzaback@gmail.com

