

# Net Assets



ADVANCING BUSINESS EXCELLENCE IN INDEPENDENT SCHOOLS • SEPTEMBER/OCTOBER 2014

## EVOLVING TECHNOLOGIES, EMERGING QUESTIONS

Is your data safe?

Do you need a technology audit?

BYOD or 1:1 ... and are you ready either way?

Are your teachers prepared?

Is blended learning the answer?



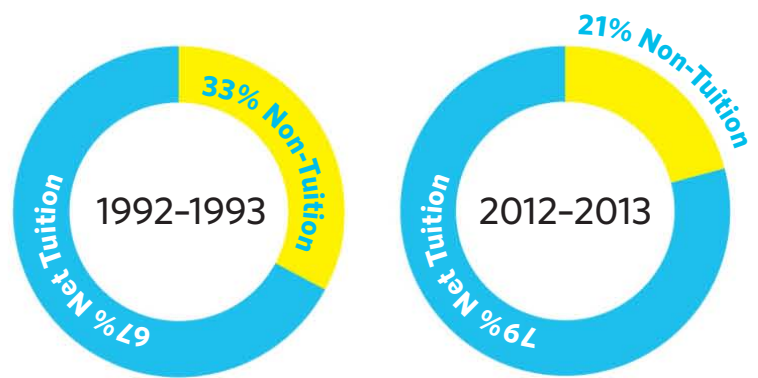
# COMMENTARY

## SUPPLEMENTING AND ENHANCING THE FACE-TO-FACE CLASSROOM WITH ONLINE LEARNING BEST PRACTICES AND PEDAGOGY.

BY BRAD RATHGEBER, ONLINE SCHOOL FOR GIRLS

**W**ant to know why the independent school financial model is broken? It's actually pretty simple. Consider this chart from the National Association of Independent Schools (NAIS) DASL (Data and Analysis for School Leadership) survey:

In the 1992–93 school year, 67 percent of revenue for independent schools came from net tuition (tuition minus discounts, mainly for financial aid). Today, 79 percent of revenue comes from net tuition. This is not because of decreasing revenue from advancement and other non-traditional sources. In fact, these have increased greatly, as schools have stepped up fundraising efforts and looked well beyond the summer camps and facility rentals that many were doing in the 1990s. Instead, greater reliance on net tuition

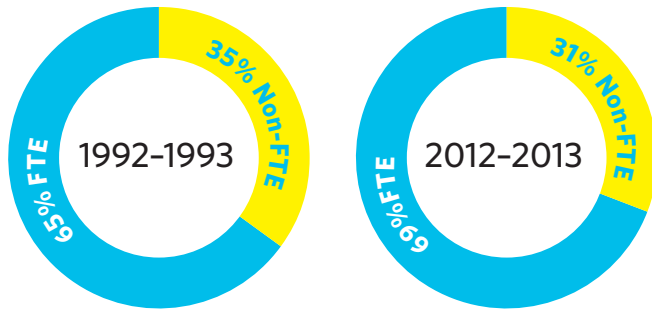
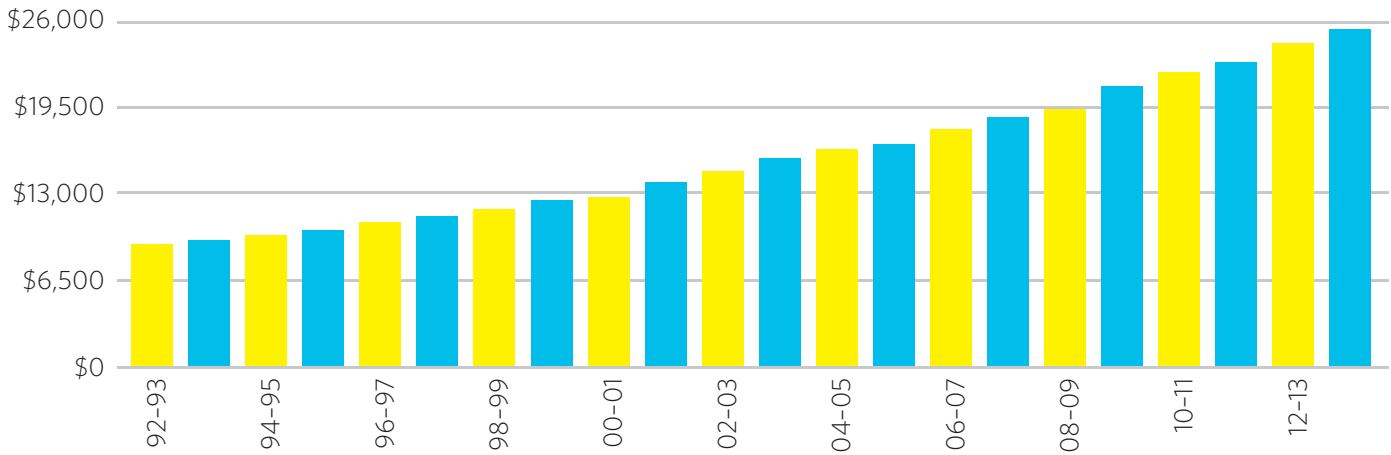




# THE CASE FOR BLENDED LEARNING



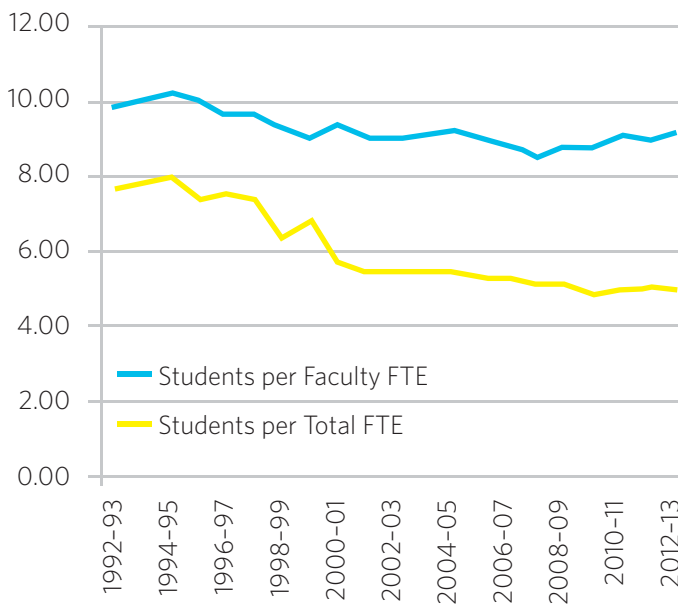
### Median NAIS Day School Tuition—Grade 12



Source: NAIS DASL

### Student per FTE Comparison

Source: Thom Greenlaw/NBOA



reflects the fact that tuition has risen at the rate of inflation plus two to three percent. Meanwhile, other revenue sources have not.

The expense side of the equation has also changed. Today, schools' expenses are more weighted to full-time equivalent employee (FTE) costs than to other expenses.

As a percentage, the change may seem small. But it has been significant in dollar terms, especially when combined with the knowledge that many schools have added (in some cases quite significantly) to their physical plant over this same period.

Moreover, the ratio of FTEs to students has changed dramatically over the past 20 years. In 1992-93, independent schools averaged 10 students for every faculty FTE, and eight students for every overall faculty/staff FTE. Today, those averages are nine students to every one faculty FTE, and five students to every one overall faculty/staff FTE.

This dramatic increase in the FTE-to-student ratio is a primary driver for high tuition increases. Independent schools are stuck in a dangerous cycle: Parents demand increased programming in large part because of high tuition, and schools feel they must increase tuition at a rate above inflation in order to fund new programming and the accompanying staff.

Is there another way? Can a school be more without "doing" more? Not only do I believe the answer is yes, but I see a silver lining in the numbers. By getting back to 1990s staffing levels, independent schools can stabilize tuition growth and become more affordable to a wider range of families. They can also retain or even strengthen their core promises: robust programs and increased opportunities for students; and tight-knit communities that allow them to know and care for students well.

So the obvious question: How can we keep our core promises (or ideally add value to them) while reducing dependence on FTEs?

This may surprise you, coming from the head of an online school: I do not believe that online education by itself is a "silver bullet" for financial sustainability or growth.

### CONTENT DELIVERY METHODS

In 2013, nearly two-thirds of academic leaders agreed that a majority of students would be taking at least one online course in the next five years. A report released early this year explored these assumptions and more, based on the following classifications of course delivery methods.

PROPORTION OF CONTENT DELIVERED ONLINE	TYPE OF COURSE	TYPICAL DESCRIPTION
1 to 29 percent	Web-facilitated	Uses web-based technology to facilitate what is essentially a face-to-face course. May use a course management system (cms) or web pages to post the syllabus and assignments.
30 to 79 percent	Blended/hybrid	Blends online and face-to-face delivery. Substantial proportion of the content is delivered online. Typically uses online discussions and has fewer face-to-face meetings.
80+ percent	Online	Most or all of the content is delivered online. Typically has no face-to-face meetings.

Source: *Grade Change—Tracking Online Education in the United States*, Babson Survey Research Group, Sloan Consortium and Pearson.

To be sure, online education is part of the solution. It offers an advantage in helping schools better customize courses and learning opportunities, along with containing costs. And make no mistake: Parents will continue to want and expect more for their sons and daughters, including customized curriculums and course plans. As demonstrated in the chart on the bottom of page 38, schools have mainly satisfied this demand by adding programs—necessitating more staffing.

But even widespread adoption of online learning can only impact at the margins (a ratio factor of .5 to 1 students per FTE).

Blended learning offers more promise. Blended learning is not about replacing face-to-face teaching with the same instructional methods in the online learning space. It is about using online learning best practices and pedagogy in order to supplement the face-to-face classroom.

Over the past 20 years, we have seen a marked change from teacher-centered classroom approaches (sage-on-the-stage) to student-centered classrooms (students as a group at the center of the learning process). Blended learning is the next step in this evolution; it puts the individual student at the center of the learning process. Teachers customize lessons to each student's needs. Computing helps students understand and retain information. Face-to-face time is geared toward high-level problem-solving, student collaboration and real-world application, along with substantive work between teachers and students. Analytics drive next steps.

The role of the teacher is very different in a blended class. Most content is taught through the computer, while the teacher guides content understanding, challenges students

beyond knowledge acquisition, facilitates collaboration amongst peers, and connects with students on a personal level. The teacher has more information (analytics) about each student's needs, allowing her or him to customize the learning process even further.

Changing to this type of instruction requires lots of time and support. Schools must invest in teacher education and development as never before. And yet, once transitioned, they should be able to customize learning, and increase communications and connections between students and faculty, while at the same time increasing class size by some percentage. Why? Because the role of the teacher will have changed. The teacher will no longer provide the majority of course content—designing lessons, lectures, etc.—as the school year plays out. Instead, the teacher's job will be to engage with students.

### TO CHART A DIFFERENT FINANCIAL COURSE, ALL INDEPENDENT SCHOOL STAKEHOLDERS WILL HAVE TO WORK TOGETHER AS NEVER BEFORE.

Importantly, student-to-FTE ratios will not need to continue to decrease and should be able to increase at least to 1992 levels. Whenever class size is discussed, conclusions are often drawn that it must mean a dramatic increase. However, student-to-FTE ratios are so low within the independent school community that an increase in average class size from 12 to 15 could have a large impact on a school's bottom line.

Too "pie in the sky"? We are doing this already at the Online School for Girls. Our independent school faculty members are creating and curating course content before the school year begins. Then, during the year, their job is to engage with students—in assessments, collaborations, one-on-one work, etc. This approach has allowed us to have an average class size of 16.5 without sacrificing either quality or the promise that teachers know their students well and care for them greatly. In fact, most students and faculty report connections as very strong.

Independent schools can be more. They can offer more programs and even enhance the close student-to-teacher and student-to-student relationships on which they pride themselves. At the same time, they can chart a different financial course. To do so, all stakeholders will have to work together as never before. Academic deans will need to work hand-in-hand with business officers. Teachers will need to work with technology leaders. And, heads and boards will need to think outside of their own institutions for support and partnerships. ■



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