

# Toward Convergence

Creating Clarity to Drive More Consistency in  
Understanding the Benefits and Costs of OER

A project of the  
National  
Consortium for  
Open Education  
Resources  
(NCOER)

NEW ENGLAND BOARD  
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Western Interstate Commission for Higher Education

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# Report Content



Clarifies why coming together around standards for understanding the costs and benefits of OER is important for decision-makers



Defines OER for policy audience and provides a visual for understanding where OER fits with the larger context.



Provides an overview of state and system level OER initiatives



Offers Principles for measuring OER cost savings to students and understanding broader costs and benefits



Presents a **Student Cost Savings Framework** to provide guidance that will lead to more consistency in the calculation and reporting of cost savings to students; and



Presents a **Cost-Benefit Framework** that decision-makers can apply to understand more fully the various costs and benefits of OER that are both monetary and non-monetary and accrue to various stakeholders.

# Why is this work important?

**Advocates** need a concise and consistent message to clearly articulate OER's cost savings and benefits.

**Legislators and other high-level decision-makers** need consensus-based metrics to use or customize when measuring cost savings or wanting to understand the potential cost savings and benefits to students, institutions, or states.

**Higher education leaders** need to know their institution's cost savings and cost-benefit calculations follow industry standards.

**Practitioners** with limited time need a model to help them communicate student cost savings and the potential financial and non-financial benefits within their own OER efforts.

These stakeholders and those funding OER efforts need to understand the impact of OER on helping increase postsecondary success.

# Work Group



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# Definition of OER for Policymakers

*The term "open educational resource" means a teaching, learning, or research resource that is offered freely to users in at least one form and that either resides in the public domain or has been released under an open copyright license that allows for its free use, reuse, modification, and sharing with attribution.*

[-SPARC Policy Playbook](#)

## Student Centered Benefits of OER

Public Domain  
or Licensed for  
Public Use

Access to Course  
Material at the  
Start of a Course

Ongoing Access  
to Course  
Material

Free (from cost)

Free (from  
collecting  
student data)

## IS THE RESOURCE...

	Public domain or openly licensed?	Available when a course starts?	Available in perpetuity?	Free from cost in at least one form to students?	Free from personal data sharing?
<b>OPEN EDUCATIONAL RESOURCES (OER)</b>	 Always	 Always	 Always	 Always	 Always
<b>PRINTED COMMERCIAL MATERIALS RENTAL</b>	 Never	 Sometimes	 Never	 Never	 Sometimes
<b>LIBRARY RESOURCES</b>	 Rarely	 Sometimes	 Never	 Always	 Always
<b>LOW-COST PRINT OPTIONS OR COMPLIMENTARY RESOURCES OF OER</b>	 Always	 Sometimes	 Always	 Never	 Often
<b>USED BOOKS OR OTHER ALL RIGHTS RESERVED MATERIALS WITH LOWER COSTS</b>	 Never	 Sometimes	 Sometimes	 Sometimes	 Often
<b>INCLUSIVE ACCESS</b>	 Rarely	 Often	 Never	 Never	 Never

# State and System Level Landscape

- Over the past decade, more than 25 states have supported efforts to:
  - ✓ study and plan OER initiatives,
  - ✓ Invest in OER initiatives, and
  - ✓ Encourage schools and colleges to notify students of OER availability.
- Since 2018, the United States Department of Education has provided funding for more than \$15 million in OER grant funding over the last decade.

# State and System Survey Results

*77% of Programs Measure Cost Savings*

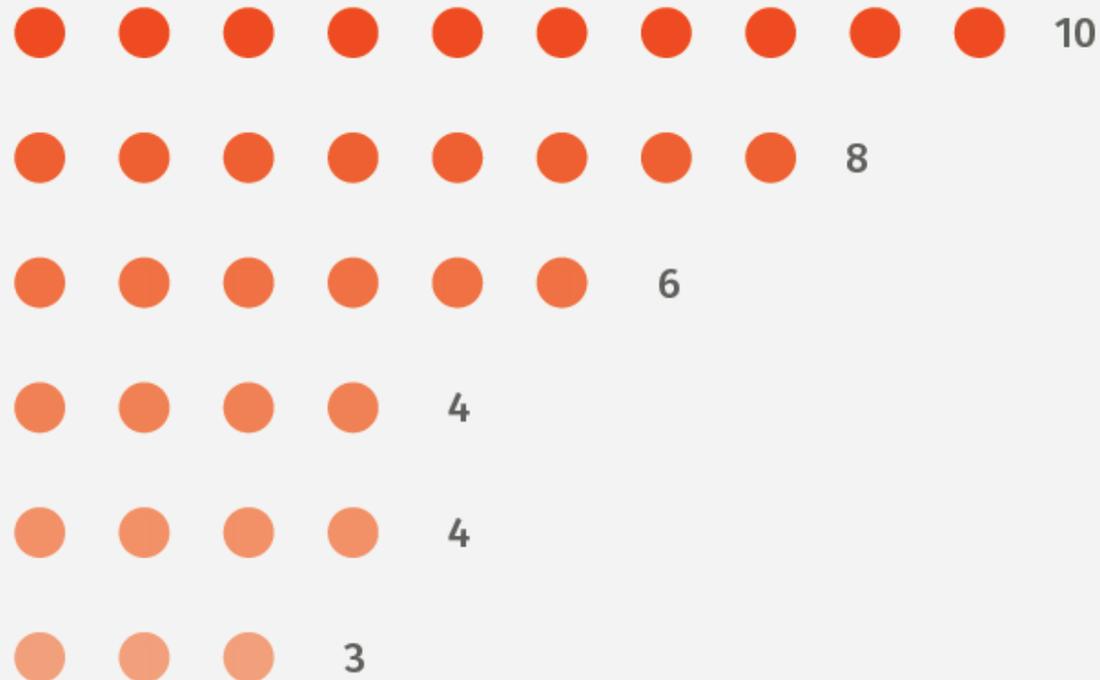


# State and System Survey Results

Many Measure OER Benefits Beyond Student Cost Savings

● = 1 respondent

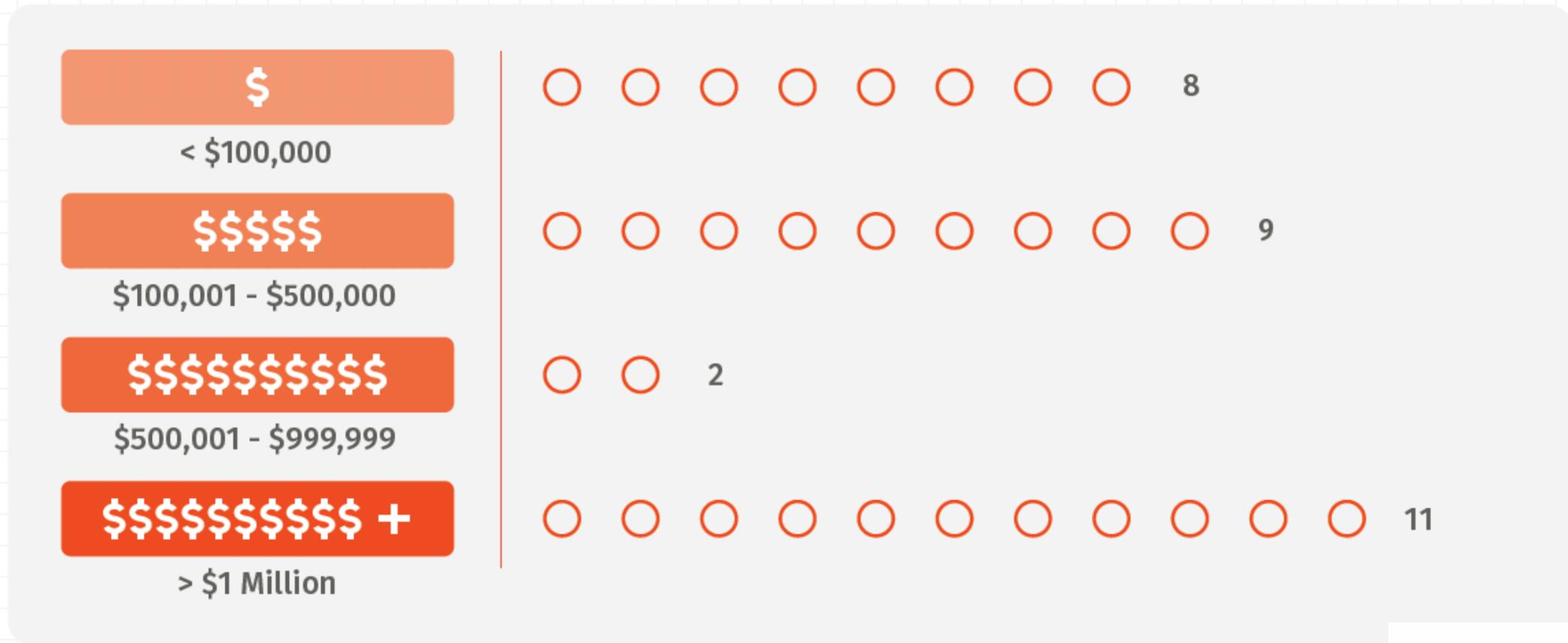
- DFW Rates
- Student Satisfaction
- Course Completion
- Equitable Outcomes
- Enrollment Rates
- Faculty Engagement



# State and System Survey Results

OER Program Fiscal Capacity Varies

○ = 1 respondent



# Principles for Measuring Student Cost Savings and Performing a Cost-Benefit Analysis

## PRINCIPLES TO GUIDE OUR APPROACH TO MEASURING STUDENT COST SAVINGS AND PERFORMING A COST-BENEFIT ANALYSIS

- ✓ Principle 1: What You Need to Know Depends on Where You Sit
- ✓ Principle 2: Access to Course Materials Should Be Equitable
- ✓ Principle 3: Costs Should Account for Implementation Costs Unique to OER
- ✓ Principle 4: Adopting/Adapting Existing OER Can Reduce Costs
- ✓ Principle 5: OER Support Learning as Well as Commercial Resources
- ✓ Principle 6: Acknowledge OER Benefits Beyond Student Cost Savings



# Student Cost Savings Framework



## Step 1: Identify Courses and Sections Using OER

- ✓ Adopt the standard definition of OER and, if appropriate, low-cost material
- ✓ Ensure faculty members and/or other relevant Staff know the definitions
- ✓ Create mechanisms for leaders and students to identify courses with OER, ideally within a data system linked to enrollment.



## Step 2: Determine the Actual or Estimated Enrollment for Courses Utilizing OER



## Step 3: Multiply Enrollment By The Cost of the Resourced Replaced by OER

# Ways to Determine the Costs of Resources OER is Replacing

*In MHEC's survey of states and institutions, 17 states and systems provided replaced materials estimates based on a composite of the approaches highlighted in this section.*

*Their responses ranged from \$61-\$192 with an average of*

**\$116.**

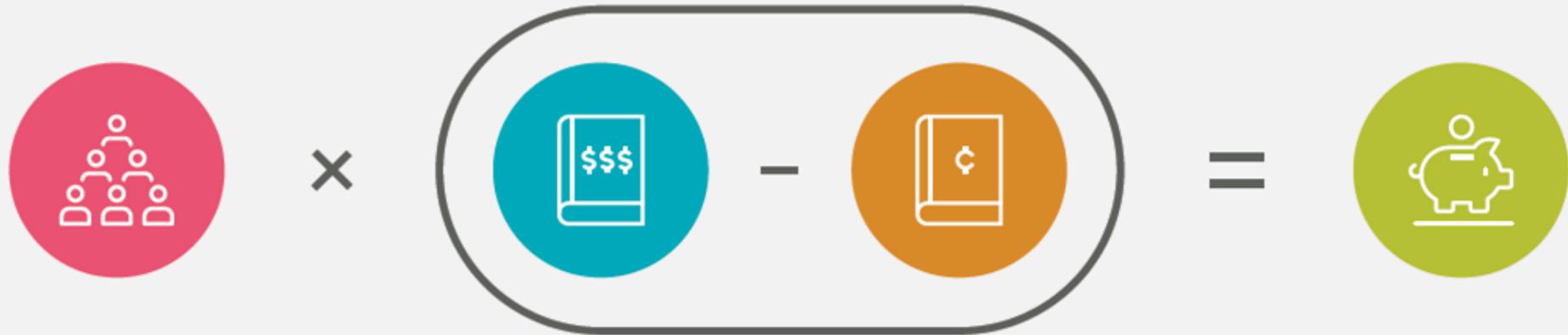
## 1. Actual Replacement Costs

### 1. Average Costs

- Cross Institutional Average
- Student Reported Spending on Course Materials

## 2. A General Estimate

# Calculating Student Cost Savings



$$\text{Total Enrollment} \times (\text{Cost of Original Resource} - \text{Any Costs to Students}) = \text{Cost Savings}$$

**Key Enabler:** [Course marking](#) enables both institutions AND students to identify courses that use OER or low-cost material, which makes it easier for students to plan and save money and states and systems to estimate how much money students saved.

**Helpful Resource:** [The Open Education Network data dashboard](#) helps leaders track the various components of cost savings.

# Cost-Benefit Analysis Framework



## Step 1: Brainstorm Key Factors

- ✓ Alternatives to OER including the status quo
- ✓ Stakeholders who will be impacted
- ✓ Critical assumptions that will impact your analysis



## Step 2: Identify and Categorize the Costs and Benefits that Could be Realized

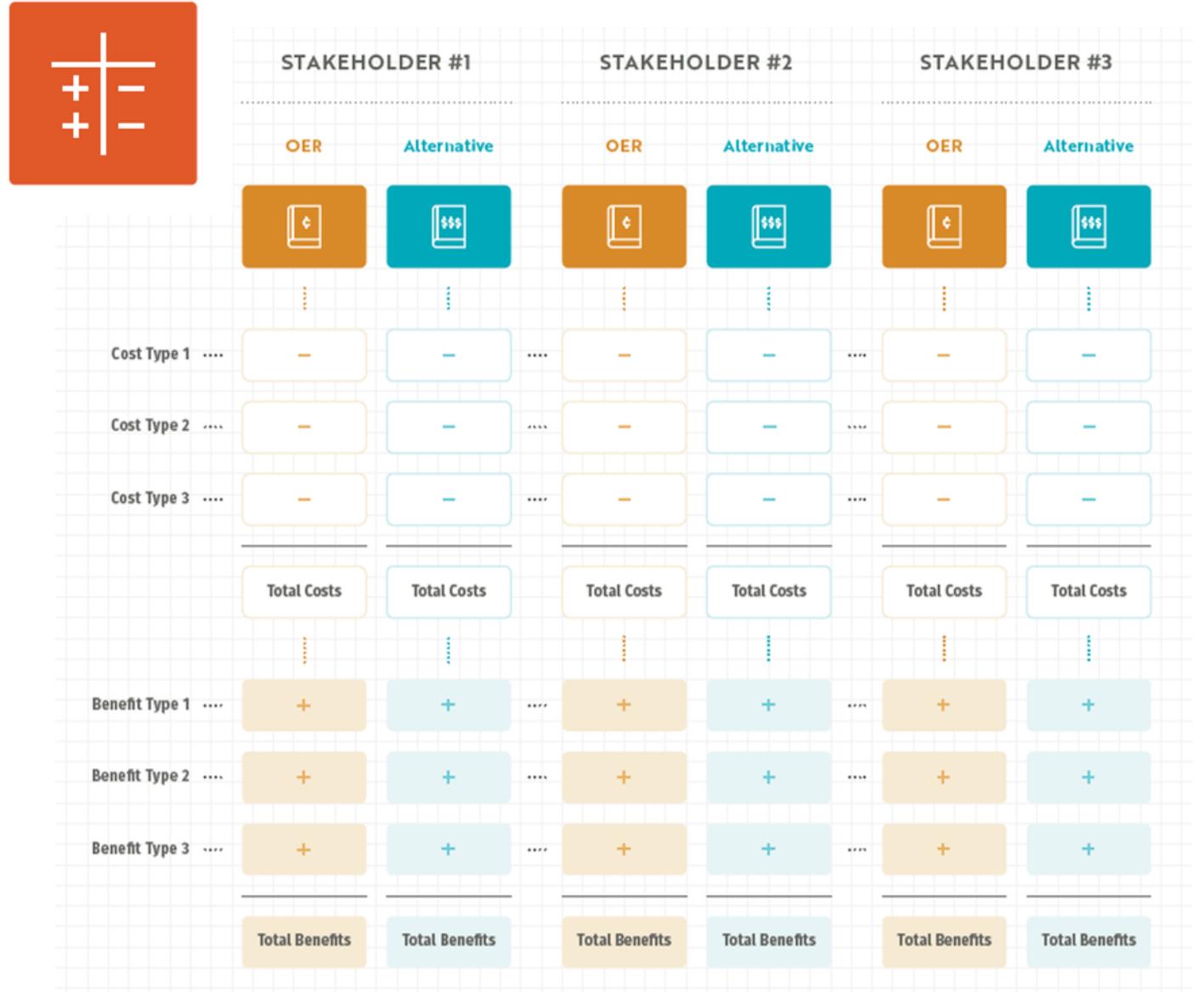


## Step 3: Compare the Benefits and Costs

# Cost-Benefit Analysis Framework

A Tool For Comparing the Costs and Benefits of OER with Other Alternatives

Don't forget to consider the nonquantifiable benefits of each approach!





***Continuous  
improvement  
is better than  
delayed  
perfection –  
Mark Twain***

# Questions

