



**OFFICE OF THE SENIOR VICE PRESIDENT
AND PROVOST**

FY24 Revised Guidelines for UMD MOOC Revenue Sharing

June 1, 2023

The University of Maryland launched its participation in Massive Open Online Courses (MOOCs), through Coursera and then EdX, a decade ago. Revenue sharing guidelines were established in 2016 in order to set a path for a sustainable and self-supporting program, as well as to support a breadth of offerings across the campus. Since its inaugural offering of five courses in 2013, the program has grown steadily toward its current state, with 99 courses offered by eight colleges, along with 25 multi-course specializations. UMD's MOOCs have reached millions of learners at all levels of experience, in nearly 200 countries.

Given that most MOOCs are free, non-credit offerings aimed at a large and international audience, the primary intent of the program has not been to generate revenue, but rather to bring global attention to the University's faculty and research and to help advance educational innovation. The 2016 guidelines for revenue sharing from paid learners have enabled a stable source of funding in the Provost's office to distribute for new MOOC offerings (the MOOC program fund), with the added benefit of modest revenue distribution back to colleges, departments, and instructors. This memo outlines a revision to the 2016 revenue sharing guidelines while retaining the fundamental principles of the program. It reduces the proportion of revenue going to the MOOC program fund, increases the revenue share for academic units, and allows for an increase in per-course development funding for new MOOC production.

Units are reminded that state appropriated funding should not be used for MOOC development and distribution.

Our primary two MOOC providers, Coursera and edX (now edX/2U), distribute the University's share of course revenue to the University on a quarterly basis. Each quarter after revenues have been received from the MOOC partner, distribution is determined after program expenses are deducted. Program expenses include modest staff time within Extended Studies to manage the administration of the MOOC program. Currently this includes portions of salaries for a program manager, coordinator, and financial manager, and operations. In addition, 5% of expenses are distributed to the central campus for general university support.

The remaining available net revenue will be distributed as follows:

I: **35% to the MOOC program fund** for support of new MOOC initiatives.

II: **40% to the units of the instructor(s), proportional to the net revenue.** Normally, this will be split such that 10% will be distributed to the College(s) and 30% will go to the academic unit(s) (for departmentalized colleges). These funds may not be used to reduce credit-bearing teaching by the instructor(s) who created the MOOC.

III. The remaining net revenue may be distributed directly to the instructor, or to the department with subsequent payment to the instructor, to be determined jointly by the department and the instructor, with the following guidelines. **In either case, these funds may not be used to reduce standard teaching load or pay summer salary.**

IIIa: **25% to the instructor(s), proportional to the net revenue, if the academic unit and instructor choose *revenue-sharing* to the instructor.** The instructor can then receive these funds in one of two ways:

1. As a taxable royalty payment by the university; or
2. As operating funds to be transferred on a quarterly basis, for use at the discretion of the faculty member, consistent with University policy.

OR

IIIb. **25% to the department(s) proportional to the revenue, if instead of option IIIa, the department and instructor choose *payment* to the instructor.**

The revised sharing model will be effective for revenue generated after July 1, 2023. For both Coursera and edX, this is the revenue generated during CY23 Q3.

Approved:  _____

Jennifer King Rice

Senior Vice President and Provost

Date: 06/01/2023 _____