SCOPE:
In relation to the “On-Line Course Development Agreement” these guidelines pertain to all University sponsored and distributed online courses, existing or new, whether offered for credit or not and whether or not the course is part of a program offered through the Educational Innovation initiative.

These guidelines and the On-Line Course Development Agreement they support, replace previous revenue-sharing guidelines. Revenue-sharing agreements in place prior to July 1, 2018 are exempt and are not subject to these guidelines.

ELIGIBILITY:
Course Creators are eligible for compensation under these guidelines. A Course Creator must hold an active academic appointment (recalled emeriti faculty included; refer to APM 110-4 for the definition of Academic Appointee) with the San Diego campus of the University of California.

DEFINITIONS:

a. “Course Development Incentive” shall mean financial compensation or material support provided by the University to the Course Creator to incentivize the creation, development, or maintenance of a high-quality on-line version of the Course.

b. “Net Revenue” shall mean total Revenue less deductions for refunds, credit-card processing fees, payments to non-UC San Diego platform owners and distributors and similar costs.

c. “Revenue” shall mean cash actually received by the University in a fiscal year (i.e., between July 1 and June 30) as compensation for licensing or distributing the Course or Course Materials on-line. Revenue as defined here does not include any money derived directly or indirectly from tuition or fees paid for credit-bearing courses by students enrolled with the University in a degree program or in a setting where more than fifty percent of the instruction occurs in person.

REVENUE SHARES:
The University will share Net Revenue derived from online courses with academic Divisions/Schools and Departments on the following schedule (the Educational Innovation Incentive Model):

- 57% of Net Revenue to the Dean and Department, with at least 50% of Net Revenue to the Department and no more than 7% of Net Revenue to the Dean
- 33% of Net Revenue to Campus
- 10% of Net Revenue to Financial Aid

This distribution arrangement may change from time to time as deemed appropriate by the University.

The University’s share of Net Revenue is discretionary to the administration and will be used to invest in areas of pressing need within the academic enterprise including, but not limited to, staffing and infrastructure costs in the Teaching + Learning Commons, promoting the success of our undergraduate and graduate students, and supporting the pedagogical and scholarly mission of the university.

The expectation is that Revenue shared with Schools/Divisions and Departments will be used to advance the overall strategic academic priorities of the units, including hiring of ladder-rank and teaching faculty, graduate student support, TA support for in-person and online learners, and faculty incentives related to online and in-person course development and maintenance.

Course Creators do not receive a revenue share. Rather, Course Creators are paid a predetermined fee as outlined below.

**PAYMENTS:**

Under these guidelines Course Creators are compensated at the time they invest effort. This mitigates the unpredictability of the previous compensation model where Course Creators received payment only if the course generated a positive net revenue flow. Specifically:

a. As a Course Development Incentive, Course Creators may be paid one ninth plus some increment to develop an online course at the request of the University. At the School/Division and/or Department’s discretion, the amount of the incentive may vary, up to a maximum of the equivalent of two ninths, depending on what the University asks the Course Creator to produce. Compensation in excess of the equivalent of two ninths requires approval by the Executive Vice Chancellor.

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1 To assist in start-up of new programs, the campus share is phased in over three years. The 1st year it is 11%, the 2nd year is 22%, then the regular 33% in the 3rd year and beyond.
b. Similarly, as a further Course Development Incentive, Course Creators may be paid an additional incentive to significantly revise, update, or augment course materials or recordings, as defined in the Online Course Development Agreement. Such upgrades would be undertaken at the request of and according to requirements set by the University. This amount may vary, up to a maximum of one ninth, depending on the University’s requirements.

Within the constraints articulated in the Online Course Development Agreement, Course Creators who teach an online course developed by themselves or other individuals may be eligible for additional compensation. Payment for teaching an online course encompasses supervision of TAs and other course staff, communication with students, answering students’ questions, minor updates to course materials or content, the creation and grading of assessments and exams, and general oversight of the course.

Similarly, pursuant to Section 9 of the Online Course Development Agreement, academic appointees other than a Course Creator are also eligible for an incentive to upgrade or payment to teach courses created under the auspices of an Online Course Development Agreement, in accordance with extant Department/School practices for load and off-load teaching.

RESPONSIBLE PARTIES:

School/Division/Department

Departments/Schools are responsible for payments to Course Creators. The expectation is that the School or Department invests in online course development, and will be repaid from revenue shares allocated via the Educational Innovation Incentive Model or other mechanisms organized by the University.

Departments with inadequate resources may request assistance from the cognizant Dean. The relevant Dean may advance a loan to the department from divisional resources or, if necessary, the Dean may make a case to the EVC for a loan that will cover the start-up costs. Departments are responsible for repaying a loan from revenues generated by the program post-launch. At their discretion the Deans may forgive a loan they have made to a department.

Proposals to EVC requesting support for extra faculty effort in developing programs and courses should clearly identify and justify the need in the context of how the Department typically develops curricula.

Executive Vice Chancellor

Prepared by the Office of the Executive Vice Chancellor (issued March 2019, updated August 2019 and April 2021)
The University will provide material support to course development in the form of market evaluation and research for non-credit courses, as well as all instructional design consultation, video recording, and other relevant services deemed necessary by the Digital Learning Hub in the Teaching + Learning Commons and Educational Technology Services for credit and non-credit courses.