

UNIVERSITY OF CALIFORNIA

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

OFFICE OF THE PROVOST AND
EXECUTIVE VICE PRESIDENT FOR ACADEMIC AFFAIRS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

August 12, 2025

CHANCELLORS
ACADEMIC COUNCIL CHAIR STEVEN CHEUNG
LABORATORY DIRECTOR MICHAEL WITHERELL
ANR VICE PRESIDENT GLENDA HUMISTON

Re: Systemwide Review of Presidential Interim Policy for the University of California's Use of Online Program Management Companies

Dear Colleagues:

Enclosed for systemwide review is a Presidential Interim Policy for the University of California's Use of Online Program Management Companies. The interim policy was issued effective June 26, 2025.

The UC underwent an audit by the California State Auditor (CSA). In response to audit findings, the Office of the President established an Online Program Management (OPM) Work Group out of the Academic Planning Council (APC). Membership included Division of Continuing Education Deans from the UCLA and UC Irvine campuses, the Vice Chair of UCEP, the Vice Chair of UCAP, UC General Counsel, Associate Vice Provost and Director of Undergraduate Admissions, Executive Director of Strategic Sourcing in UC Procurement, Associate Vice Provost and Dean of the Graduate Division at UC Berkeley, the Executive Director of UC Online, the Ethics and Compliance Coordinator, Executive Advisor for Academic Planning and Policy Development, and the Principal Policy Analyst, University-wide Academic Senate.

The group's charge was to draft systemwide policy to address CSA recommendations directed to UCOP around the use of OPMs. The Work Group successfully drafted interim policy that promotes practices that will mitigate the risks of using OPMs. Prior to issuance, the interim policy was approved by APC as well as by the Policy Advisory Committee.

This policy establishes guidelines for the University of California's partnerships with Online Program Management (OPM) companies to uphold academic integrity, transparency, and compliance with federal and accreditation standards. Of special note is the adoption of supplemental guidance of OPM policy on bundled services drafted by UC Legal. This information is included as a link in the policy document.

Systemwide Review

Systemwide review is a public review distributed to the Chancellors, the Chair of the Academic Council, the Director of the Lawrence Berkeley National Laboratory, and the Vice President of Agriculture and Natural Resources requesting that they inform the general University community, especially affected

August 12, 2025

Page 2

employees, about policy proposals. Systemwide review also includes a mandatory, 90-day full Senate review.

Employees should be afforded the opportunity to review and comment on the draft policy. Attached is a Model Communication which may be used to inform non-exclusively represented employees about these proposals. Systemwide Labor Relations at the Office of the President is responsible for informing the bargaining units representing union membership about policy proposals.

We would appreciate receiving your comments no later than **November 12, 2025**. Please submit your comments and questions to Carmen Corona at carmen.corona@ucop.edu.

Best wishes,



Katherine S. Newman
UC System Provost and
Executive Vice President for Academic Affairs

UC Berkeley Chancellor's Distinguished Professor
of Sociology & Public Policy

Enclosures:

- 1) Presidential Interim Policy for the University of California's Use of Online Program Management Companies
- 2) Model Communication
- 3) June 26, 2025, Interim Policy Issuance Letter

Cc: President Milliken

Executive Vice Chancellors/Provosts
Executive Vice President and Chief Operating Officer Nava
Executive Vice President Rubin
Senior Vice President Bustamante
Vice President Brown
Vice President and Vice Provost Gullatt
Vice President and Chief of Staff Kao
Vice President Lloyd
Vice President Maldonado
Academic Council Vice Chair Palazoglu
Vice Provost Varsanyi
Vice Provosts/Vice Chancellors of Academic Affairs/Personnel
Deputy Provost Lee
Associate Vice President Matella
Associate Vice President McRae
Deputy General Counsel Woodall
Assistant Vice Provosts/Assistant Vice Chancellors for Academic Personnel
Deputy Chief HR Officer and Chief of Staff Henderson
Executive Director Anders

August 12, 2025

Page 3

Executive Director Lin
Executive Director Teaford
Executive Advisor Greenspan
Chief of Staff Beechem
Chief of Staff Levintov
Chief Policy Advisor McAuliffe
LBL Chief Human Resources Officer Crosson
Director Chin
Director Corona
Director Garcia
Director Weston-Dawkes
Associate Director Dicaprio
Associate Director Soria
Associate Director Woolston
Assistant Director LaBriola
Policy Analyst Durrin
Program Policy Analyst D'Agostino
Policy Advisory Committee



INTERIM Policy for the University of California’s Use of Online Program Management Companies

Responsible Officer:	Provost & Executive Vice President of Academic Affairs
Responsible Office:	Academic Affairs
Issuance Date:	6/26/2025
Effective Date:	6/26/2025
Scope:	The Policy applies to all UC campuses and programs that use Online Program Management companies, including Extension and Self-Supporting Graduate Programs.

Contact:	Carmen Corona
Title:	Director, Academic Planning and Policy
Email:	Carmen.corona@ucop.edu
Phone:	

TABLE OF CONTENTS

I. POLICY SUMMARY	1
II. DEFINITIONS	2
III. POLICY TEXT.....	2
IV. COMPLIANCE / RESPONSIBILITIES	6
V. RELATED INFORMATION	6
VI. FREQUENTLY ASKED QUESTIONS	6
VII. REVISION HISTORY	6

I. POLICY SUMMARY

The policy refers to the University of California’s (UC) use of Online Program Management companies and provides requirements for:

- Instructor transparency for online and on-campus courses
- Course evaluation process and student feedback
- Prohibition of incentive-based compensation for recruitment, admissions, or awarding financial aid
- Agreements with non-accredited entities

II. DEFINITIONS

Online Program Management (OPM) Companies: A third-party contractor that offers services that enable colleges to offer online educational content. Services OPMs may provide include instruction, course development, recruitment, marketing, technical support and student support services.

External Instructor: Instructors affiliated with an OPM company (also referred to in this policy as “external instructors” or “external instructors provided through an OPM company”)

III. POLICY TEXT

A. Instructor Transparency for Online Courses

1. Purpose

This provision ensures that students have clear and accurate information regarding the instructors of their courses, including whether courses are taught by UC-employed faculty, UC-employed instructor, UC-contracted instructors, or by external instructors affiliated with an OPM company.

2. Scope

This provision applies to all online courses listed on UC campus websites that utilize an OPM company.

3. Policy Statement

a. Instructor Identification

Each course listing on the University's website must clearly indicate whether the instructor is a UC-employed faculty member, UC-employed instructor, UC-contracted instructor, or an external instructor provided through an OPM company. If they are provided by an OPM company, the listing shall include their name and qualifications.

b. Disclosure of External Instructional Partnerships

If a course is facilitated by an OPM and uses external instructors, the course description must include a disclosure statement specifying the partnership and the

role of the external instructors, and information stating that they have been reviewed and approved by the division/school offering the program.

c. Consistency in Course Listings

Instructor designation must be consistently presented across all official University course catalogs, registration portals, and marketing materials, as appropriate.

d. Instructor Qualifications and Availability

When an external instructor is assigned, the University must provide students with a UC-affiliated contact for academic support and guidance.

The University must ensure that external instructors meet the same or equivalent academic and/or professional standards as (1) campus-employed faculty for those teaching in degree programs and (2) UC-contracted instructors for those teaching in non-degree programs.

e. Student Notification

Students must be informed of the instructional arrangement at the time of course registration

If instructional changes occur after registration, students must be promptly notified.

4. Enforcement

The Executive Vice Chancellor and Provost or designee on each campus will be responsible for ensuring compliance with this provision including annual reviews of the websites and other marketing materials to ensure compliance with the specified disclosure provisions.

Failure to disclose instructional arrangements accurately by either the University or the OPM may result in corrective actions, including course listing revisions, further institutional review, or termination based on the contract agreement.

B. Course Evaluation Process and Student Feedback

1. Purpose

To ensure there is a comprehensive course evaluation system that enables students to provide valuable feedback on both course content and instructor performance, thereby fostering continuous improvement in teaching and learning.

2. Scope

This provision applies to all university undergraduate, graduate, and Extension courses that use OPMs.

University of California – **INTERIM** Policy
Policy for the UC's Use of Online Program Management Companies

3. Policy Statement

a. Evaluation Process

- i. Each campus or academic unit that uses OPMs will maintain course evaluation processes to be utilized for those courses. Evaluations shall occur following each academic term the course is offered.
- ii. The evaluation process will assess:
 - Course content, including organization, relevance, and clarity.
 - Instructor effectiveness, focusing on communication, engagement, and responsiveness.
 - Overall learning experience, capturing the student's perspective on the course's impact.

C. Prohibition of Incentive-Based Compensation for Recruitment, Admissions, or Awarding Financial Aid

1. Purpose

To ensure compliance with federal regulations and uphold ethical standards in student recruitment, admissions, and financial aid processes by prohibiting incentive-based compensation.

2. Scope

This provision applies to the use of OPMs by all University campuses, employees, and third-party and affiliated entities involved in, or having responsibility for student recruitment, admissions, or financial aid decisions.

3. Policy Statement

a. Prohibition of Incentive Compensation

In alignment with Section 487(a)(20) of the Higher Education Act (HEA), the university strictly prohibits the payment of any commission, bonus, or other incentive-based compensation to individuals or entities engaged in:

- Student recruitment or admission activities.
- Making decisions regarding the awarding of Title IV Higher Education Act program funds.

b. Covered Activities

Activities subject to this prohibition include, but are not limited to:

- Soliciting prospective students

Policy for the UC's Use of Online Program Management Companies

- Assisting students in completing enrollment applications
- Making decisions about student enrollment or the awarding of Title IV financial aid
- Completing financial aid applications on behalf of prospective students

c. Permissible Activities

The following activities are not subject to the ban on incentive compensation, provided the individual or entity is also not engaged in covered activities:

- General advertising or marketing that provides information to the public or groups of potential students
- Collecting contact information
- Providing student support services after the disbursement of financial aid, such as career counseling, tutoring, or online course support.

d. Compliance and Enforcement

All University campuses must ensure that their contracts with OPMs comply with this policy prohibiting incentive-based compensation for activities related to recruitment, admissions, or awarding of financial aid.

Any noncompliance may result in disciplinary action, up to and including termination of employment or contracts, and may necessitate reporting to federal authorities.

[Supplemental Guidance for OPM Policy on Bundled Services/Frequently Asked Questions](#)

D. Compliance with Regulations on Use of Non-accredited Entities

1. Purpose

This provision ensures that all UC programs maintain compliance with the Western Association of Schools and Colleges (WASC) Senior College and University Commission (WSCUC) accreditation standards, upholding academic quality, integrity, and institutional effectiveness.

2. Scope

This provision applies to all UC programs that use OPMs.

3. Policy Statement

Adherence to WASC Accreditation Standards:

- All UC programs will adhere to [WASC guidance on agreements with unaccredited entities \(as revised in Oct. 2017\)](#).

IV. COMPLIANCE / RESPONSIBILITIES

The Executive Vice Chancellor and Provost or designee on each campus will be responsible for ensuring compliance with this policy.

V. RELATED INFORMATION

California State Audit Materials:

- [2023-106 University of California - California State Auditor Report](#)
- [2023-106 University of California - California State Auditor Recommendations](#)

References:

- [Prohibition on Incentive Compensation - Section 487\(a\)\(20\) of the Higher Education Act](#)
- Department of Education's [guidance](#) on the incentive compensation ban and permissible arrangements

VI. FREQUENTLY ASKED QUESTIONS

[US Department of Education Program Integrity Q&A Answers-Incentive Compensation](#)

VII. REVISION HISTORY

June 26, 2025: This is a new Interim Presidential Policy approved by the Academic Planning Council.

The policy is formatted to meet Web Content Accessibility Guidelines (WCAG) 2.0.

MODEL COMMUNICATION

The University of California Office of the President invites comments on an interim Presidential Policy for the University of California's Use of Online Program Management Companies. The policy, issued as interim effective June 26, 2025, includes the following key issues:

- Instructor Transparency for Online Courses
- Course Evaluation Process and Student Feedback
- Prohibition of Incentive-Based Compensation for Recruitment, Admissions, or Awarding of Financial Aid
- Compliance with Regulations on the Use of Non-Accredited Entities

If you have any questions or if you wish to comment, please contact _____ at _____, no later than _____, 2025.



UNIVERSITY
OF
CALIFORNIA

Michael V. Drake, MD
President

June 26, 2025

Office of the President
1111 Franklin St.
Oakland, CA 94607

universityofcalifornia.edu

CAMPUSES

Berkeley
Davis
Irvine
UCLA
Merced
Riverside
San Diego
San Francisco
Santa Barbara
Santa Cruz

MEDICAL CENTERS

Davis
Irvine
UCLA
San Diego
San Francisco

NATIONAL LABORATORIES

Lawrence Berkeley
Lawrence Livermore
Los Alamos

DIVISION OF AGRICULTURE AND
NATURAL RESOURCES

CHANCELLORS
MEDICAL CENTER CHIEF EXECUTIVE OFFICERS
LAWRENCE BERKELEY NATIONAL LABORATORY DIRECTOR
VICE PRESIDENT-AGRICULTURE AND NATURAL RESOURCES

RE: Policy for the University of California's Use of Online Program Management Companies

Dear Colleagues:

Attached is the interim Policy for the University of California's (UC) Use of Online Program Management Companies.

The policy refers to the UC's use of Online Program Management companies and provides requirements for instructor transparency for online and on-campus courses; course evaluation process and student feedback; prohibition of incentive-based compensation for recruitment, admissions, or awarding financial aid; and agreements with non-accredited entities.

The policy also includes supplemental language from UC Legal consistent with federal law and guidance assuring that some tuition-sharing or revenue-sharing agreements with third parties in exchange for services are permissible under the prohibition of incentive compensation provided that certain conditions are met.

This policy is effective as of the date of this letter and will be posted online at <http://policy.ucop.edu/>.

Sincerely,

Michael V. Drake, MD
President

Enclosures

cc: Division Leaders
Director Corona
Executive Advisor Greenspan
Chief Ethics and Compliance Officers
Campus Policy Managers
University Policy Office