



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
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Scope:	The Policy applies to all UC campuses and programs that use Online Program Management companies, including Extension and Self-Supporting Graduate Programs.

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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.

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
- 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.