

# CRS Report for Congress

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## **Distance Education and Title IV of the Higher Education Act: Policy, Practice, and Reauthorization**

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# Distance Education and Title IV of the Higher Education Act: Policy, Practice, and Reauthorization

## Summary

The phrase “distance education” (DE) has been used to describe a wide variety of structured learning environments that occur away from the “traditional” bricks and mortar classroom setting. The U.S. Department of Education (ED) identifies five different DE delivery modes: correspondence study, interactive videoconferencing, telecourses, asynchronous online instruction, and synchronous online instruction. Based on an ED survey, 56% of institutions of higher education (IHEs) offered DE courses in 2000-2001, in which over 3 million students were enrolled.

To participate in federal student aid (FSA) programs authorized under Title IV of the Higher Education Act (HEA), institutions must meet eligibility requirements known collectively as the 50% rules. According to the rules, if telecommunications courses and correspondence courses constitute at least half of the total courses offered at an IHE, then telecommunications courses are considered to be correspondence courses; and if more than 50% of an IHE’s courses are correspondence courses, or if 50% or more of an IHE’s students are enrolled in correspondence courses, the IHE loses its Title IV eligibility. Students’ eligibility for FSA also depends on their own DE coursetaking.

The Distance Education Demonstration Project (DEDP) waives certain eligibility requirements for about two dozen IHEs in order to “test the quality and viability” of DE programs (P.L. 105-244). An ED report on the DEDP concluded that these restrictions should be loosened and that this would have few negative consequences. A GAO study of the impact of the 50% rules concluded that doing so without management accountability would probably increase occurrences of fraud and abuse. GAO recommended that ED study the cost of waiving the 50% rules.

To be eligible for Title IV programs, IHEs must be accredited by an agency or association recognized by ED as a reliable authority for assessing the quality of education. There are several special challenges associated with evaluating and accrediting DE programs and courses. DE courses and programs are offered through different modes of instruction, requiring accreditors to evaluate the curriculum and instruction, faculty support, student support, and student learning outcomes of these programs in different ways. DE programs and courses are offered by a variety of providers, ranging from traditional four-year institutions to online degree-granting institutions to corporate universities. DE is also used for short-term continuing education and training in professional fields, often separate from degree programs.

Due to the substantial changes in the availability of technology and demand for DE courses since the 1998 reauthorization of the HEA, there are numerous issues that may be discussed during the upcoming reauthorization. These include whether to reauthorize the DEDP; whether to change the 50% rules used in determining the eligibility of IHEs to participate in programs authorized under Title IV of the HEA; and whether to change the requirements for federal recognition of accrediting organizations that are applicable to DE. This report will be updated.

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# Distance Education and Title IV of the Higher Education Act: Policy, Practice, and Reauthorization

## Introduction

Issues related to distance education (DE) are among those that surfaced in the 108<sup>th</sup> Congress. It is likely that these issues will reemerge in the 109<sup>th</sup> Congress as legislation is introduced to reauthorize the Higher Education Act (HEA) of 1965.<sup>1</sup> The issues include whether to reauthorize the Distance Education Demonstration Project (DEDP); whether to amend or eliminate the 50% rules applicable to determining the eligibility of institutions of higher education (IHEs) to participate in programs authorized under Title IV of the HEA; and whether to change the requirements for federal recognition of accrediting organizations that are applicable to DE. This report explores the growth of DE into a significant component of the modern postsecondary education landscape and then examines a number of issues involved in the debate surrounding HEA reauthorization.<sup>2</sup>

Many observers trace the origins of DE to correspondence study<sup>3</sup> and in particular to the founding of the University of Chicago and its correspondence program and extension division in 1892.<sup>4</sup> According to University archivists,

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<sup>1</sup> P.L. 89-329, as amended by P.L. 105-244 [20 U.S.C. §§ 1001 *et seq.*]. For more information on issues related to the reauthorization of the HEA see CRS Issue Brief IB10097, *The Higher Education Act: Reauthorization Status and Issues*, by James B. Stedman.

<sup>2</sup> In this report, our discussion of DE is limited to how it relates to the reauthorization of the HEA. However, federal support for DE programs and initiatives is also provided through other programs (e.g., programs authorized under ESEA — the Elementary and Secondary Education Act of 1965, as amended (P.L. 107-110); Perkins III — the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998 (P.L. 105-332); and WIA — Workforce Investment Act of 1998 (P.L. 105-220)).

<sup>3</sup> According to Von Pittman, “Early collegiate-level correspondence study was often called ‘home study’ to distinguish it from the product of proprietary schools. For much the same reason, colleges and universities began to call it ‘independent study’ beginning in the late 1960s,” Moore & Anderson, *Handbook of Distance Education*, 2003.

<sup>4</sup> Michael Moore, *Contemporary Issues in American Distance Education* (New York: Pergamon, 1990); and Watkins & Wright, *The Foundations of American Distance* (continued...)

The campus of the University was never meant to contain its educational mission. As conceived by William R. Harper, the University of Chicago included an extension division that would bring instruction to students who could not work toward their degrees on campus. The extension offered three methods of instruction: students could learn by attending a series of scheduled lectures (lecture-study), register for courses offered in an extension center (class-study), or receive instruction through the mail at home (correspondence-study). At a time when state universities were bound to their rural land-grant campuses and the concept of adult education was still new, the University's offering of extension courses in the heart of the city provided opportunities for students for whom conventional higher education was out of reach.<sup>5</sup>

The promise of bringing educational opportunity to individuals who lack access to traditional classrooms has remained the central rationale for DE up to the present day. In the last reauthorization of the HEA the Congress stated, "Distance education holds the promise of expanding access to higher education at a time when the number of postsecondary students will be expanding, including those seeking retraining and those in rural communities without access to local colleges and universities" (H.Rept. 105-481).

While its purpose has been longstanding and straightforward, what actually constitutes DE is often unclear and has changed over time. The remainder of this section discusses the characteristics that define DE and the extent to which DE occurs in the U.S. at the postsecondary education level. The following section examines DE in the context of the HEA and Title IV in particular. This includes discussing the rules governing institutional and student eligibility for receipt of Federal Student Aid (FSA). The DEDP, the effect of eligibility rules on DE, and accreditation of DE are also discussed. The report concludes with a review of DE issues likely to arise during HEA reauthorization.

## What Is Distance Education?

The phrase DE has been used to describe a wide variety of structured learning environments that occur away from the "traditional" bricks and mortar classroom setting. The definition in the text box

**Distance Education:** The process of extending learning, or delivering instructional resource-sharing opportunities, to locations away from a classroom, building or site, to another classroom, building or site by using video, audio, computer, multimedia communications, or some combination of these with other traditional delivery methods.

— *Instructional Technology Council*

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<sup>4</sup> (...continued)

*Education: A Century of Collegiate Correspondence Study* (Dubuque, IA: Kendall/Hunt 1991).

<sup>5</sup> Alice Schreyer, *The University and the City: A Centennial View of the University of Chicago* (Chicago: University of Chicago Library, 1992), available at [<http://www.lib.uchicago.edu/e/spcl/centcat/home.html>].

typifies the current use of the term.<sup>6</sup>

However, with the growing use of telecommunications technology in education generally, there is not always a clear distinction between DE and *traditional* education. Computer and network technology now provide students and teachers with means of communicating that are on par with what previously could have been achieved only through face-to-face interaction. E-mail can replace a visit to the department office. A chat room can replace a group study session in the student union. Some types of lab work can be completed in a student's dorm room rather than at a computer lab. The point at which an educational process conducted via telecommunications technology ceases to be "traditional" education and begins to be "distance" education has become blurred.

The Alfred P. Sloan Foundation has developed a somewhat arbitrary standard for categorizing DE based on the proportion of content that is delivered online. It classifies an "online" course as having at least 80% of the course content delivered online, a "blended" or "hybrid" course as 30% to 80% online content, a "web facilitated" course as under 30% online content, and a "traditional" course as having no online content.<sup>7</sup>

Yet, it also recognizes that the potential of online learning goes well beyond simply learning outside the traditional classroom. Telecommunications technologies not only allow learning to take place anywhere, but also at *any time* — most importantly, when it is convenient for the student. When time elapses during the exchange in a learning experience (e.g., students listening to a prerecorded lecture or exchanging messages on an online discussion group), this process is referred to as *asynchronous learning*.

In its report to Congress on the status of the DEDP (discussed later in this report), ED includes *asynchronous learning* in its list of DE delivery modes:

*Correspondence study* — the institution mails lessons to students who work independently and periodically submit assignments and examinations for grading by an instructor;

*Interactive videoconferencing* — telecommunications networks link a faculty member with students located in classrooms around the state or region;

*Telecourses* — instruction is delivered on videotape (or through cable distribution) to students studying at home;

*Asynchronous online instruction* — students have access to electronic classrooms that contain instructional materials with links to other online resources, and tools to facilitate group discussion, small group activities, and one-to-one communication; and

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<sup>6</sup> Instructional Technology Council website hosted by Dallas TeleLearning, available at [<http://telelearning.dcccd.edu/>].

<sup>7</sup> I. E. Allen and J. Seaman, *Seizing the Opportunity: The Quality and Extent of Online Education in the United States*(Needham, MA: Sloan Consortium, 2002 and 2003).

*Synchronous online instruction* — students at home log onto computers that are linked through the Internet to faculty and students in a classroom.<sup>8</sup>

As telecommunications technology is increasingly brought into the educational environment, it provides not only learners separated by space and time with new ways to exchange ideas, but also provides faculty and students in courses offered through traditional means with a way to supplement or enhance the educational process. How much spatial and temporal distance must there be for a learning experience to be termed distance education? Much of the remainder of this report is devoted to clarifying the boundaries of DE set by Title IV of the HEA. However, before doing so, we first describe the prevalence of DE in the U.S. postsecondary educational system.

## How Prevalent is Distance Education?

Given the elusive definition of DE, it is quite difficult to measure the extent to which DE is being utilized. The most recent and reliable data on the utilization of DE come from ED's 2001 survey of two-year and four-year, Title IV-eligible, degree-granting institutions based on the Postsecondary Education Quick Information System (PEQIS).<sup>9</sup>

In the PEQIS survey, DE was defined as courses delivered to off-campus locations through audio, video, or computer transmission either synchronously or asynchronously. This definition excluded courses delivered on-campus, through written correspondence, or at a remote site visited in person by the instructor. Courses involving on-campus meetings for lab work or exams or occasional lectures could still be considered DE in the PEQIS survey.

**DE Course Offerings.** Fifty-six percent of IHEs offered DE courses in academic year 2000-2001 and an additional 12% reported planning to do so in the next three years. DE is much more prevalent among public schools (90% of two-year and 89% of four-year) than among private schools (16% of two-year and 40% of four-year). Perhaps not surprisingly, small schools have been less likely than large schools to offer DE courses (41% for IHEs with enrollments under 3,000 compared to 95% for IHEs with enrollments of 3,000 or greater). Data on IHEs offering DE courses are presented in **Table 1**.

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<sup>8</sup> U.S. Department of Education, *Second Report to Congress on the Distance Education Demonstration Program*, 2003.

<sup>9</sup> Available data on use of DE at institutions that do not report to PEQIS (i.e., non-Title IV-eligible and/or non-degree-granting institutions) are not reliable enough to produce nationally representative estimates. ED conducted the PEQIS survey in 1995 and 1998; however, due to sampling differences, much of the data are not comparable to the 2001 survey. See U.S. Department of Education, National Center for Education Statistics, *Distance Education at Degree-Granting Postsecondary Institutions: 2000-2001*, NCES 2003-017.

**Table 1. IHEs Offering Distance Education Courses: 2000-2001**

Institution type and size	Total number of institutions	Distance education program status					
		Offered DE in 2000-2001		Planned to offer DE in next three years		Did not offer DE in 2000-2001 and does not plan to in next three years	
		No.	Pct.	No.	Pct.	No.	Pct.
All institutions	4,130	2,320	56	510	12	1,290	31
<i>Institution type</i>							
Public two-year	1,070	960	90	50	5	50	5
Private two-year	640	100	16	150	23	400	62
Public four-year	620	550	89	20	3	50	8
Private four-year	1,800	710	40	290	16	790	44
<i>Institution size</i>							
Less than 3,000	2,840	1,160	41	460	16	1,220	43
3,000 to 9,999	870	770	88	50	5	60	7
10,000 or more	420	400	95	10	2	10	2

**Source:** U.S. Department of Education, National Center for Education Statistics, *Distance Education at Degree-Granting Postsecondary Institutions: 2000-2001*, 2003.

**Note:** Percentages are based on the estimated 4,130 two-year and four-year Title IV-eligible, degree-granting institutions in the nation. Detail may not sum to totals because of rounding.

**DE Course Enrollment.** According to PEQIS, 3.1 million students were enrolled in DE courses in the 2000-2001 school year. Most of these courses were taken for college credit (2.9 million), primarily undergraduate credit (2.4 million). Public two-year institutions enrolled just under half (1.5 million) of the total and just under half (1.4 million) of those enrolled for college credit. As stated above, data from previous PEQIS surveys are not fully comparable for different years; however, a report by the GAO claims that the PEQIS data “indicate that enrollments in distance education quadrupled between 1995 and 2001.”<sup>10</sup> Data on student enrollment in DE courses are presented in **Table 2**.

<sup>10</sup> U.S. General Accounting Office, *Distance Education: Improved Data on Program Costs and Guidelines on Quality Assessments Needed to Inform Federal Policy*, GAO/04-279, Feb. 2004, p. 7.



**Table 2. Enrollment in DE Courses, 2000-2001**

Institution type and size	Institutions		Total enrollment in all DE courses	Enrollment in college-level credit-granting DE courses		
	Total	Offering DE courses		courses at both levels	undergrad courses	grad/1 <sup>st</sup> prof. courses
All institutions	4,130	2,320	3,077,000	2,876,000	2,350,000	510,000
<i>Institution type<sup>a</sup></i>						
Public two-year	1,070	960	1,472,000	1,436,000	1,435,000	‡ <sup>b</sup>
Public four-year	620	550	945,000	888,000	566,000	308,000
Private four-year	1,800	710	589,000	480,000	278,000	202,000
<i>Institution Size</i>						
Less than 3,000	2,840	1,160	486,000	460,000	368,000	91,000
3,000 to 9,999	870	770	1,171,000	1,132,000	932,000	197,000
10,000 or more	420	400	1,420,000	1,284,000	1,049,000	222,000

**Source:** U.S. Department of Education, National Center for Education Statistics, *Distance Education at Degree-Granting Postsecondary Institutions: 2000-2001*, 2003.

**Note:** Enrollments may include duplicated counts of students, since institutions were instructed to count a student enrolled in multiple courses for each course in which he or she was enrolled. Detail may not sum to totals because of rounding, missing data, or because too few cases were reported for a reliable estimate for private two-year institutions.

- a. Data for private two-year institutions are not reported in a separate category because too few private two-year institutions in the sample offered distance education courses in 2000-2001 to make reliable estimates. Data for private two-year institutions are included in the totals and in analysis by other institutional characteristics. Thus, total enrollments do not always equal the sum of categories of courses.
- b. Two-year branches of public four-year institutions occasionally offer graduate/first-professional level courses.

‡ Reporting standards not met.

## Title IV of the Higher Education Act as It Affects Distance Education

Title IV of the HEA authorizes federal programs that provide student financial aid to support attendance at a variety of postsecondary institutions, including public institutions, private not-for-profit institutions, for-profit (proprietary) institutions, and trade and technical schools. In order for a student attending a postsecondary institution to receive Title IV student aid, the institution must:

- be licensed or otherwise legally authorized to provide postsecondary education in the state in which it is located;
- be accredited by an agency recognized for that purpose by the Secretary of Education; and

- be deemed eligible and certified to participate in federal student aid programs by ED.<sup>11</sup>

In addition to these requirements, IHEs also must comply with specific statutory requirements related to DE. Failure to comply with these requirements can result in an institution losing its eligibility to participate in Title IV programs. At the same time, certain provisions generally applicable to institutional eligibility may also affect student eligibility for Title IV aid. This section discusses aspects of DE related to institutional and student eligibility to participate in Title IV programs and also examines how DE affects the accreditation of IHEs.

In contrast to the pedagogically-based definition of DE discussed above, under Title IV of the HEA, the terms “correspondence courses” and “telecommunications courses,” are used rather than “distance education,” (with the exception of the DEDP). Federal regulations<sup>12</sup> define a correspondence course as a home study course offered by an IHE in which the IHE provides the student with instructional materials. Upon completing a section of the instructional materials, the student takes a corresponding examination provided by the IHE and returns it to the IHE for grading. In contrast, a telecommunications course is a course that is offered via the application of technology. This includes courses offered by Internet, audio or computer transmission,<sup>13</sup> or television. As some correspondence courses also include some form of telecommunications technology, courses are classified as correspondence or telecommunications based on the predominant mode of instruction.<sup>14</sup> As will be discussed in the next section, in certain circumstances telecommunications courses may arbitrarily be considered to be correspondence courses for purposes of determining institutional eligibility for participation in Title IV programs.

## **Institutional Eligibility and the 50% Rules**

To participate in Title IV student aid programs, institutions must meet eligibility requirements that specifically apply to DE.<sup>15</sup> Several of these requirements are known collectively as the 50% rules. The 50% rules were incorporated into the HEA during the 1992 reauthorization, in part, as a response to cases of fraud and abuse that

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<sup>11</sup> For more information on institutional eligibility requirements to participate in Title IV programs, see CRS Report RL31926, *Institutional Eligibility for Participation in Title IV Student Aid Programs Under the Higher Education Act: Background and Issues*, by Rebecca R. Skinner.

<sup>12</sup> 34 C.F.R. § 600.2.

<sup>13</sup> This could include, for example, closed circuit, cable, microwave, or satellite transmission.

<sup>14</sup> Courses delivered through video cassettes or discs are considered correspondence courses unless the IHE delivers the same instruction to students attending classroom-based courses during the same year. U.S. Department of Education, Office of Federal Student Aid, *FSA Handbook, 2004-2005: Volume 2 — School Eligibility and Operations, 2004-2005, Chapter 8, Distance Education*. (Hereafter cited as ED, *FSA Handbook, 2004-2005*.)

<sup>15</sup> Many of these requirements may be waived by the Secretary under the DEDP. The DEDP and applicable waivers are discussed later in this report.

had occurred at institutions that primarily delivered instruction through print-based media. According to the report by the House Committee on Education and Labor for H.R. 3553 (the 1992 House bill to reauthorize the HEA):

In amending this section of the Higher Education Act, the Committee intends to improve the integrity of the Federal student assistance programs and to prevent fraud and abuse in the programs ... H.R. 3553 reforms the criteria by which institutions become eligible to participate in the Title IV programs. Institutions which offer half or more of their courses as correspondence will no longer be considered eligible institutions under this title. (H.Rept. 102-447)

Report language for the Senate bill (S. 1150) to reauthorize the HEA was even stronger on this issue:

The integrity of title IV programs has been harmed immeasurably by persistent reports of fraud and abusive actions by schools and other program participants, especially in the Stafford loan program where profit incentives are great ... There have also been numerous instances of abuse in the use of correspondence courses, particularly in short-term programs. While the Committee understands that there are many legitimate uses of correspondence courses, this bill seeks to address the areas of abuse by eliminating the use of student aid for any correspondence course that is not part of an associate's or bachelor's degree program. Further, this bill removes from eligibility any school that offers more than 50% of its courses by correspondence. (S.Rept. 102-204)

The compromise that came out of the conference committee was eventually passed as P.L. 102-325 and contained the following rules:

1. At IHEs that are not institutes or schools described in §521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act (P.L. 101-392)<sup>16</sup> and at which **at least 50%** of the programs lead to an associate, baccalaureate, or graduate degree, telecommunications courses shall **not** be considered to be correspondence courses, unless the sum of telecommunications and correspondence courses **equals or exceeds 50%** (HEA, §484(1)(1)).<sup>17</sup>

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<sup>16</sup> Section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act (P.L. 101-392) defines an *area vocational education school* as “a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left high school and who are available for study in preparation for entering the labor market.” This section was deleted from the United States Code under P.L. 105-332; however, references to this section remain in regulations at 34 C.F.R. Part 600 and in the Federal Student Aid Handbook (ED, *FSA Handbook, 2004-2005*).

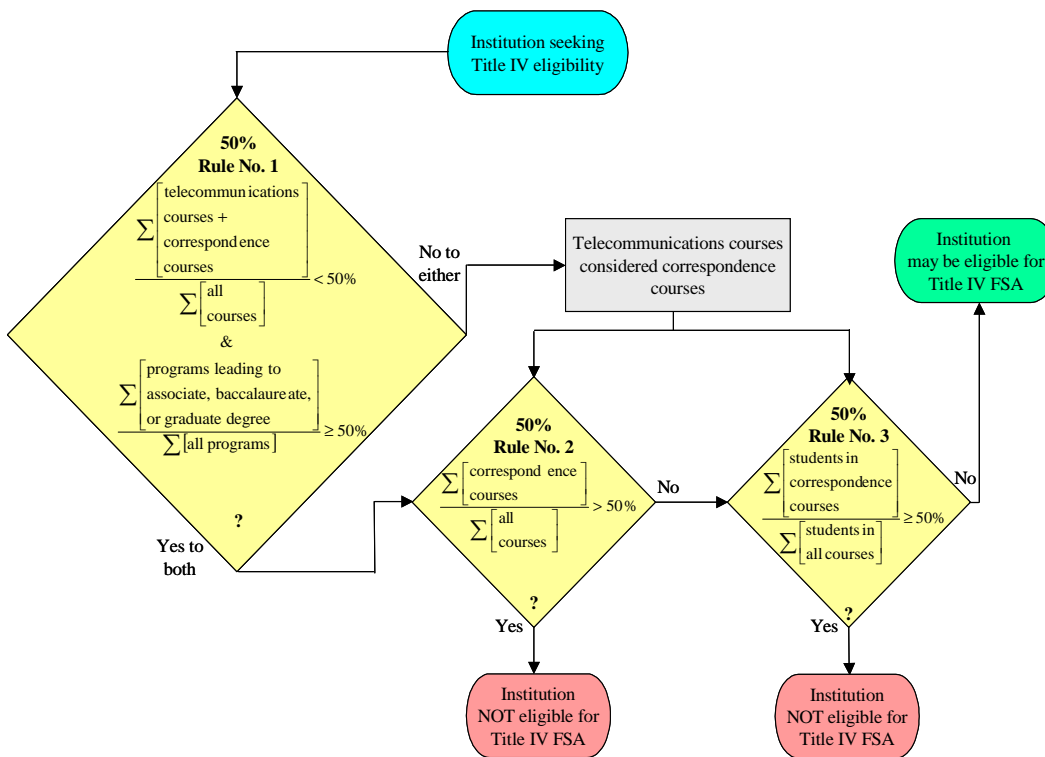
<sup>17</sup> For more information, see ED, *FSA Handbook, 2004-2005*, Institutional Eligibility, Chapter 12.

2. If **more than 50%** of an institution's courses are correspondence courses, it **loses** its Title IV eligibility (HEA, §102(a)(3)(A)).<sup>18</sup>

3. If **50% or more** of an institution's students are enrolled in correspondence courses, it **loses** its Title IV eligibility (HEA, §102(a)(3)(B)).<sup>19</sup>

It is important to note that the three 50% rules are applied in conjunction with one another in determining institutional eligibility. Institutions not meeting the requirements of either rule 2 or 3 are not eligible to participate in Title IV programs. The first rule determines the application of rules 2 and 3. (**Figure 1** provides a visual overview of the application of the three 50% rules and their effect on institutional eligibility).

**Figure 1. Institutional Eligibility: Application of the 50% Rules\***



Sources: HEA, §§102, 484; U.S. Department of Education, *Student Financial Aid Handbook, 2004-2005*.

\*  $\sum$  (sigma) denotes "the sum of."

<sup>18</sup> This limitation does not apply to institutions described under Section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act (P.L. 101-392).

<sup>19</sup> This limitation may be waived for a two-year or four-year institution offering associate's degrees or bachelor's degrees, respectively, if the students participating in the correspondence courses do not receive more than 5% of the total Title IV funds received by all students enrolled in the institution.

According to the first rule, as stated above, telecommunications courses are considered correspondence courses in instances where correspondence and/or telecommunications courses constitute at least half of the courses offered by an IHE. Telecommunications courses also are considered to be correspondence courses if less than half of the programs at an IHE lead to an associate, baccalaureate, or graduate degree. The result from this first rule can affect the application of the other two 50% rules, which consider the proportion of correspondence courses offered at institutions and the proportion of students enrolled in them.

According to the second rule, an institution loses eligibility to participate in Title IV programs if the sum of its correspondence courses (including telecommunications courses, if defined as such) exceeds 50% of the total number of courses offered, regardless of the proportion of students enrolled in these classes. Under the third 50% rule, an institution loses Title IV eligibility if 50% or more of the institution's students are enrolled in correspondence courses, regardless of the number of the institution's courses offered via correspondence. In addition, if telecommunications courses are considered correspondence courses under the first 50% rule, certain DE students might lose eligibility to receive Title IV aid (as is discussed below), even if the institution as an entity remains eligible to participate in Title IV programs.

It should be noted that the 50% rules apply to **institutions**, not programs. Thus, an individual educational program could be composed entirely of correspondence or telecommunications courses and still be considered an eligible program for the purposes of Title IV, assuming the institution does not run afoul of the 50% rules and the program is otherwise eligible. Also, in order to maintain institutional eligibility for FSA programs, institutions may decide to identify programs that do not lead to a degree and that are offered solely through correspondence as non-FSA programs. In such cases, the programs and the students enrolled in them do not factor into the determination of institutional eligibility.<sup>20</sup>

## **Student Eligibility**

Eligibility for DE students to receive FSA depends on many factors including (a) the eligibility of the institution they attend to participate in FSA programs (with particular respect to the application of the 50% rules); (b) the classification of their program of instruction; (c) their enrollment status; and (d) whether participation in DE affects the calculation of their cost of attendance (COA). The eligibility of institutions offering DE programs to participate in FSA programs was discussed in the previous section. Factors that affect the eligibility of DE students to receive FSA are discussed below.

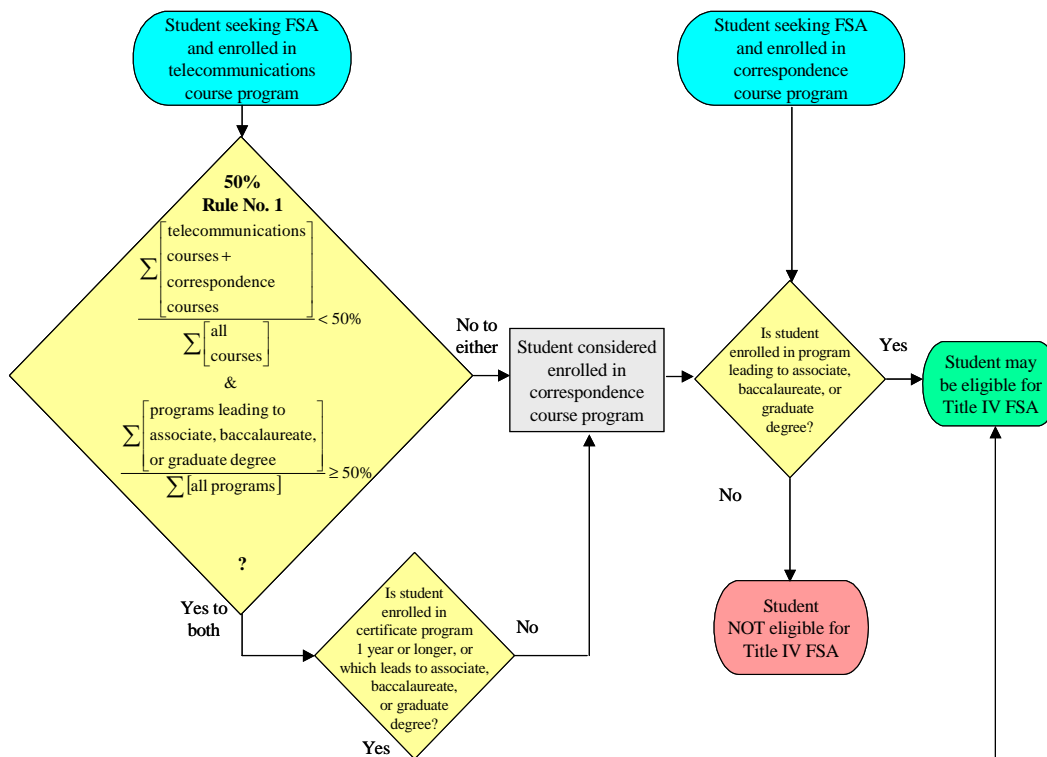
**Telecommunications and Correspondence Course Programs.** In general, for a student to be eligible to receive FSA, the student must “be enrolled or accepted for enrollment in a degree, certificate, or other program ... leading to a

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<sup>20</sup> ED, *FSA Handbook, 2004-2005*, pp. 2-147 through 2-148.

recognized educational credential” at an eligible institution.<sup>21</sup> For students enrolled in DE programs, eligibility to receive FSA depends on whether their program of study leads to a degree, a certificate, or a diploma and whether their courses are classified as telecommunications or correspondence courses based on the first 50% rule (see **Figure 2**). Students enrolled in telecommunications courses are eligible for FSA if they are enrolled in a program leading to an associate, baccalaureate, graduate, or professional degree, or in a program of one year or more in length leading to a certificate. Students taking telecommunications courses as part of a certificate program that is less than one year in duration are not eligible to receive FSA funds. Students enrolled in correspondence courses are eligible for FSA if they are enrolled in a program leading to an associate, baccalaureate, or graduate degree. Students taking correspondence courses as part of programs leading to a certificate or diploma (as opposed to a degree) are **not** eligible for FSA.<sup>22</sup> The application of these rules for determining student eligibility are presented in a flow chart in **Figure 2**.

**Figure 2. Student Eligibility: Effects of Enrollment in Telecommunications and Correspondence Courses\***



Sources: HEA, §§102, 484; U.S. Department of Education, *Student Financial Aid Handbook, 2004-2005*.

\* Σ (sigma) denotes "the sum of."

<sup>21</sup> HEA, §484(a)(1).

<sup>22</sup> ED, *FSA Handbook, 2004-2005*, pp. 2-154 through 2-155.

**Student Enrollment Status.** For DE students, enrollment in correspondence courses may determine their enrollment status for FSA purposes (i.e., full-time, three-quarter-time, half-time, or less-than-half-time), and affect their eligibility to receive FSA under certain HEA programs. (These limits are applicable only to correspondence courses and do not apply to telecommunications courses.)<sup>23</sup> DE students who are enrolled **only** in correspondence study may **not** be considered enrolled more than half-time, regardless of the number of courses they are taking; however, students who combine correspondence and regular coursework may be considered enrolled more than half-time. (Under the DEDP this provision may be waived, thus allowing students enrolled only in correspondence courses to be considered enrolled full-time.)<sup>24</sup>

Students' eligibility for FSA under certain HEA programs depends on their enrollment status. For example, students must be enrolled at least half-time to receive aid under the Stafford and PLUS Loan programs.<sup>25</sup> Students enrolled less-than-half-time may be eligible for the Pell Grant and campus-based aid programs (Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study (FWS), and Perkins Loans); however, Pell Grant award amounts are calculated according to formulas that take enrollment status into account.<sup>26</sup> Institutions are required to award campus-based aid to students enrolled less-than-full-time in a proportion comparable to the extent that the institutions' funding allocations were based on the financial need of such students.<sup>27</sup> **Figure 3** shows how enrollment in correspondence courses may affect students' eligibility for FSA.

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<sup>23</sup> However, as previously discussed, under the first 50% rule telecommunications courses are considered to be correspondence courses if more than 50% of the courses offered at the institution are either telecommunications or correspondence courses, or if less than 50% of its programs lead to an associate, baccalaureate, or graduate degree.

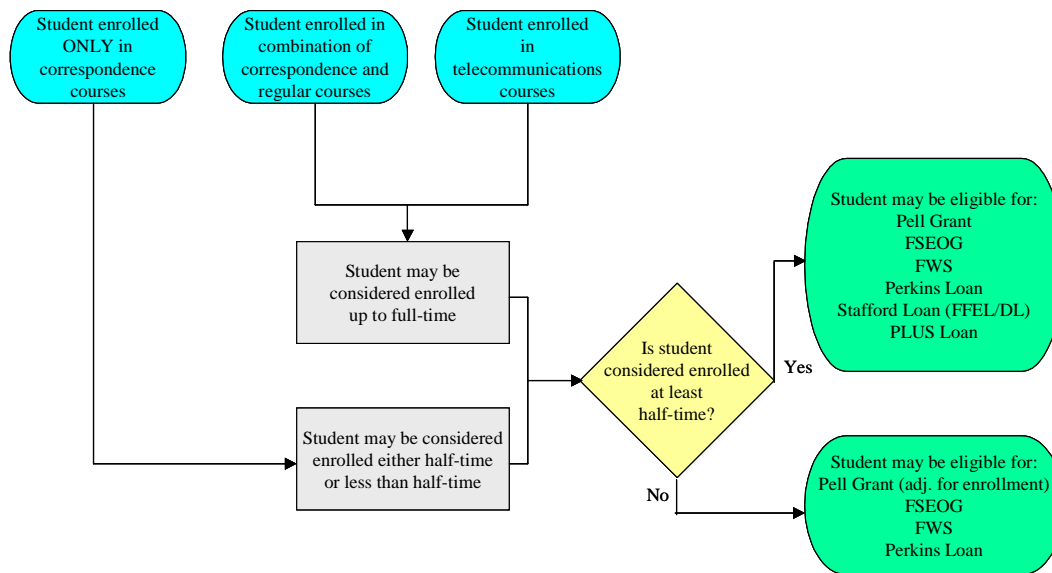
<sup>24</sup> U.S. Department of Education, *Student Financial Aid Handbook, 2004-2005*, vol. 2 — School Eligibility and Operation, Chapter 8; Distance Education, pp.2-157.

<sup>25</sup> HEA, § 484(b).

<sup>26</sup> For additional information on the Pell Grant program, see CRS Report RL31668, *Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization*, by James B. Stedman.

<sup>27</sup> For additional information on the campus-based programs, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

**Figure 3. Student Eligibility for FSA under HEA Programs: Effects of Enrollment Status**



**Sources:** HEA, §§484, 486; U.S. Department of Education, *Student Financial Aid Handbook, 2003-2004*; and U.S. Department of Education, *Student Financial Aid Handbook, 2004-2005*.

**Cost of Attendance.** For DE students enrolled less-than-half-time or only in correspondence study, the amount of FSA they may be eligible to receive may be affected by limitations on what may be included in the calculation of their COA.<sup>28</sup> For students enrolled less-than-half time, their COA may include only the costs of tuition, fees, books, supplies, transportation, and dependent care expenses.<sup>29</sup> For students in correspondence study, their COA is generally limited to the costs of tuition, fees, books, and supplies. (However, for correspondence courses with a residential training component, an allowance for travel, and room and board also may be included in the COA.)<sup>30</sup> Additionally, for students attending institutions participating in the DEDP, computer costs may be included in their COA.<sup>31</sup>

<sup>28</sup> In general, a student's COA is the sum of the following: (a) tuition and fees, (b) allowance for books, supplies, transportation, and miscellaneous personal expenses, including computer costs for students enrolled at least half-time, (c) allowance for room and board, (d) reasonable costs for approved study-abroad programs, (e) dependent care expenses, (f) reasonable expenses for students with disabilities, (g) reasonable expenses associated with employment in cooperative education programs, and (h) FSA loan fees (HEA, § 472).

<sup>29</sup> HEA, § 472(4). This provision applies to all students, regardless of whether enrolled in telecommunications, correspondence, or regular courses.

<sup>30</sup> U.S. Department of Education, *Student Financial Aid Handbook, 2004-2005*, vol. 2 — *School Eligibility and Operations*, Chapter 8; Distance Education, p. 2-155.

<sup>31</sup> HEA, § 486(b)(2).



## The Distance Education Demonstration Program

The DEDP was created as part of the 1998 reauthorization of the HEA (P.L. 105-244). The main purpose of the DEDP is to “test the quality and viability” of educational programs that are relieved of some of the restrictions imposed by the institutional and student eligibility rules previously discussed. Under the DEDP, the Secretary may waive a number of statutory and regulatory provisions that might hinder the provision of DE courses and programs. IHEs, systems of IHEs, and consortia of IHEs may participate in the DEDP. Having key provisions waived allows participants in the DEDP and students enrolled in DE courses to qualify for FSA.

As part of the DEDP, the Secretary may waive the following provisions of law and regulation:

- The three 50% rules (HEA, §§484(l)(1), 102(a)(3)(A), and 102(a)(3)(B));
- The exclusion of computer costs from the calculation of COA for students enrolled in correspondence courses (HEA, §472(5));
- The definition of “academic and award year,” as it relates to the minimum number of weeks of instruction (HEA, §481(a));
- The definition of “eligible program,” as it relates to the minimum number of weeks of instruction (HEA, §481(b)); and
- Any regulations promulgated by the Secretary under Part F — Need Analysis, or Part G — General Provisions Related to Student Assistance Programs, that may inhibit the operation of quality DE programs.<sup>32</sup>

The DEDP grew from nine participants in 1999 to 23 participants in 2003. During that time, the number of offsite students enrolled in these DE programs increased from less than 13,000 to over 27,000 while onsite course enrollment increased from 19,000 to over 42,000. In 2003, 17 individual institutions, four systems, and two consortia were selected in a competitive process to participate in the program. Participants were chosen to represent a variety of institutional sizes and missions across the country as well as a variety of delivery methods. According to ED’s July 2003 report to Congress on the status of the DEDP:

Sixteen participants received waivers of the three provisions that relate to the amount of correspondence education an institution eligible for the Title IV student financial assistance programs may provide (the “50% rules”). Seven are currently using these waivers to continue to participate in the Federal student aid programs. Fourteen participants received waivers for provisions relating to the required length of a program and definition of a week of instruction (the “12-

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<sup>32</sup> HEA, § 486(b)(2).

hour rule”).<sup>33</sup> Seven received waivers of the definition of a full-time student as it relates to correspondence study, and three received waivers of the requirements relating to satisfactory academic progress. Western Governors University received additional waivers, as provided in the authorizing statute, because of its unique structure.<sup>34</sup>

The Government Accountability Office (formerly the General Accounting Office) has found that while existing Federal restrictions on schools offering DE programs affect only a small number of schools, the number of affected schools is expected to grow in future years. GAO reports that 14 schools (serving 225,000 students) are either now or soon will be adversely affected the 50% rules. Thirteen of these schools participate in the DEDP and most have obtained waivers from the 50% rules.<sup>35</sup>

**Effect of Waiving the 50% Rules.** Two recent reports have considered the effects of the 50% rules on institutions and financial aid. According to ED’s most recent report on the DEDP submitted to Congress in July 2003,<sup>36</sup> 16 of the 23 participating institutions, systems, and consortia<sup>37</sup> received waivers from all of the 50% rules. Western Governors University also received similar waivers as specified in the program legislation.<sup>38</sup> Of the institutions that received waivers of the 50% rules eight, including Western Governors University, relied on the waivers to continue their eligibility to participate in FSA programs.<sup>39</sup>

Based on this study, ED concluded that waiving these provisions for DE programs resulted neither in increased incidences of fraud and abuse nor other negative consequences.<sup>40</sup> In addition, ED concluded that the financial viability and administrative capability of an institution posed a much greater risk to the integrity of FSA programs than the mode in which instruction is delivered. ED also recommended changing statutory language and regulations related to FSA to increase DE opportunities for students.

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<sup>33</sup> On November 1, 2002, ED promulgated regulations eliminating the 12-hour rule, previously codified at 34 C.F.R. §§ 668.2, 668.3, and 668.8 (*Federal Register*, vol. 67, no. 212, pp. 67047-67083).

<sup>34</sup> U.S. Department of Education, *Second Report to Congress on the Distance Education Demonstration Program*, 2003. Available at [<http://www.ed.gov/programs/disted/secondreport.pdf>]. (Hereafter referred to as ED, *Second Report on Distance Education*.)

<sup>35</sup> U.S. General Accounting Office, *Distance Education: Improved Data on Program Costs and Guidelines on Quality Assessments Needed to Inform Federal Policy*, Feb. 2004, GAO-04-279.

<sup>36</sup> ED, *Second Report on Distance Education*.

<sup>37</sup> The 23 participants accounted for a total of 107 institutions.

<sup>38</sup> This institution was made eligible to participate in the DEDP through § 486(b)(3)(D).

<sup>39</sup> The other institutions had not expanded the size of their distance education programs to the extent that they would have exceeded or were close to exceeding the 50% rules.

<sup>40</sup> ED, *Second Report on Distance Education*.

GAO also has conducted a study of DE at the postsecondary level.<sup>41</sup> This 2002 study examined the factors that would need to be considered before changes were made to existing statutory language or regulations that affect DE programs. GAO focused on whether any changes would result in increased access to postsecondary education or increased incidence of fraud and abuse, and how much it would cost to implement the changes. GAO concluded that removing restrictions without some form of management accountability would probably increase occurrences of fraud and abuse. Suggested forms of accountability included continuing to allow institutions to request waivers and monitoring institutions that are granted waivers, or exempting institutions from restrictions based on specific criteria, such as student loan default rates. In terms of cost, ED has acknowledged that changing existing laws and regulations to provide DE students with greater access to FSA, could increase the cost of FSA programs. GAO recommended that ED study the cost of waiving the 50% rules.

## Accreditation and Distance Education

To be eligible for Title IV programs, IHEs must be accredited by an agency or association recognized by ED as a reliable authority for assessing the quality of education or training provided by that institution.

There are three major types of accrediting organizations:

*Regional accrediting organizations.* These eight commissions operate in six regions of the U.S. and grant accreditation status to whole institutions, as opposed to individual programs. They accredit approximately 3,000 colleges and universities — over 97% of which are degree-granting, non-profit institutions.

*National accrediting organizations.* These organizations operate across the U.S. and accredit whole institutions. About 80% of the institutions they accredit are for-profit (proprietary) institutions.

*Specialized accrediting organizations.* These organizations operate nationwide, accrediting programs and single purpose institutions. In many cases, a particular program at an institution (e.g., law program) may be accredited by a specialized accrediting organization, while the institution is accredited by a regional or national accrediting organization.<sup>42</sup>

**Federal Recognition of Accrediting Organizations.** The HEA specifically states that an accrediting agency or association will only be recognized by ED if it:

... consistently applies and enforces standards that ensure that the courses or programs of instruction, training, or study offered by the institution of higher

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<sup>41</sup> U.S. General Accounting Office, *Distance Education: Growth in Distance Education Programs and Implications for Federal Education Policy*, 2002, GAO-02-1125T. Available at [<http://www.gao.gov>].

<sup>42</sup> Council for Higher Education Accreditation, *Profile of Accreditation*, Aug. 2003. Available at [[http://www.chea.org/pdf/fact\\_sheet\\_1\\_profile.pdf](http://www.chea.org/pdf/fact_sheet_1_profile.pdf)].

education, including distance education courses or programs, are of sufficient quality to achieve for the duration of the accreditation period, the stated objective for which the courses or the programs are offered.<sup>43</sup>

After ED determines that an accrediting agency or association should be recognized, it must then determine the scope of recognition. Section 496(n)(3) states that if an accrediting agency or association reviews institutions offering DE courses or programs and meets the requirements of Section 496, its scope of recognition will include the accreditation of institutions offering DE courses or programs. Thus, accrediting agencies must have established policies for evaluating the quality of DE courses or programs offered by an institution.

**Standards Used to Evaluate DE Programs and Courses.** There are several challenges associated with evaluating and accrediting DE programs and courses.<sup>44</sup> Accrediting agencies traditionally have focused their efforts on evaluating institutions providing instruction in classroom-based settings. DE courses and programs are offered through different modes of instruction, requiring accrediting bodies to evaluate the curriculum and instruction, faculty support, student support, and student learning outcomes of these programs in different ways. At the same time, accrediting bodies must determine whether providers have adequate resources to offer a high quality program. Secondly, DE programs and courses are offered by a variety of providers, ranging from traditional four-year institutions to online degree-granting institutions to corporate universities. Accrediting bodies need to have standards in place to address the accreditation needs of these different types of providers. Thirdly, DE is often used for short-term continuing education and training in professional fields, distinct from a particular degree program. This challenge is one that has not yet been addressed by many accrediting agencies, as most agencies do not engage in reviews of short-term training programs, (which in general are not eligible for FSA).

According to the Council for Higher Education Accreditation (CHEA), all eight regional accrediting commissions, for example, have established distance learning guidelines for institutions that operate within existing accrediting standards.<sup>45</sup> The best practices focus on five areas related to DE: (1) institutional context and commitment; (2) curriculum and instruction; (3) faculty support; (4) student support; and (5) evaluation and assessment. Within each area, a description of elements essential to providing quality distance education courses and programs is included. The regional accrediting commissions also have issued a formal statement regarding their commitment to quality distance education programs.

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<sup>43</sup> HEA, § 496(a)(4).

<sup>44</sup> Council for Higher Education Accreditation, *Accreditation and Assuring Quality in Distance Learning*, CHEA Monograph Series 2002, no. 1.

<sup>45</sup> The best practices were based on work conducted by the Western Cooperative for Educational Telecommunications of the Western Interstate Commission for Higher Education and completed in 1996. See Council for Higher Education Accreditation. *Core Academic Values, Quality, and Regional Accreditation: The Challenge of Distance Learning*, 2000. Available at [<http://www.chea.org/Research/core-values.cfm>].

Other organizations also have developed indicators of quality distance education programs. For example, the Institute for Higher Education Policy has developed a series of 24 benchmarks specifically for evaluating internet-based distance education.<sup>46</sup> Several of the national accrediting organizations also have developed individual standards, policies, or processes for reviewing distance education programs and courses.

**GAO Study of Accreditation of Distance Education Programs and Courses.** While accrediting agencies that review distance education programs and courses must have established policies and processes for evaluating these courses or programs in order to be recognized by ED, there is substantial variation in the extent to which this happens in practice. A recent study on distance education conducted by GAO specifically examined the issue of accrediting agency assessments of distance education courses and programs.<sup>47</sup>

The GAO report examined the issue of accreditation from two perspectives: (1) the extent to which accrediting agencies included distance education programs in their reviews; and (2) the extent to which accrediting agencies considered student outcomes in classroom-based programs and distance education programs. Of the seven accrediting agencies examined by GAO, all seven had policies and procedures in place for reviewing distance education courses and programs. There were differences, however, in the extent to which distance education programs were actually reviewed during assessments of the quality of an institution's educational program. For example, GAO found that some accrediting agencies do not review distance education programs unless at least half of the institution's courses are offered by distance education, while others have set a 25% threshold for reviewing distance education programs.

GAO also examined the extent to which student outcomes are considered by accrediting agencies in their evaluations of both classroom-based and distance education programs. Accrediting agencies were examined based on three criteria developed by GAO: "(1) setting measurable goals for program outcomes, (2) developing strategies for meeting these goals, and (3) disclosing the results of their efforts to the public."<sup>48</sup> Only one of the seven accrediting agencies met all three criteria with respect to evaluating DE programs.

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<sup>46</sup> The Institute for Higher Education Policy, *Quality On the Line: Benchmarks for Success in Internet-Based Distance Education*, Apr. 2000. Available at [<http://www.ihep.com/Pubs/PDF/Quality.pdf>].

<sup>47</sup> U.S. General Accounting Office, *Distance Education: Improved Data on Program Costs and Guidelines on Quality Assessments Needed to Inform Federal Policy*, GAO-04-279, 2004. Available at [<http://www.gao.gov>].

<sup>48</sup> It should be noted that these are not criteria that accrediting agencies are required to meet by law or by ED. Rather, they are criteria developed based on GAO's experience in examining how organizations focus on outcomes.

## Issues for Reauthorization

During the 109<sup>th</sup> Congress, it is likely that a number of bills will be introduced to amend and extend authorization for HEA programs. Given the substantial changes that have occurred in the availability of communications technology and the demand for DE courses since the 1998 HEA reauthorization, there are several important issues affecting DE that are likely to be debated as reauthorization is considered. Key topics include whether to amend or extend the DEDP, whether to retain or amend the 50% rules, whether to retain or amend the criteria used to determine institutional and program eligibility for proprietary and postsecondary vocational institutions that offer DE programs, and whether to revise the requirements regarding DE that accrediting bodies must adhere to in order to be recognized by ED.

### Distance Education Demonstration Program

Under the DEDP, IHEs offering programs through DE are able to have waived a number of Title IV program requirements that might otherwise have made them ineligible to participate in Title IV programs. (The specific provisions of the DEDP were described earlier in this report.) During reauthorization, it may be debated whether to retain the DEDP, to expand it to include more IHEs, or to amend specific provisions of the HEA so that waivers under the DEDP would no longer be required.

For instance, requirements applicable to the disbursement of student aid funds are based on student participation in term-based, on-campus instruction. Existing requirements may restrict federal aid to students participating in DE and may not be easily applied to DE programs. The amendments of 1998 partially addressed this issue through the creation of the DEDP. Congress may debate whether changes should be made to the determination of student attendance status (i.e., full time or part time) based on the type of DE program in which the student is enrolled. In addition, Congress may consider the inclusion of room and board in the calculation of FSA for students participating in different types of DE programs.

While the waiver of several requirements is available under the DEDP, the Congress may amend some of these provisions so that DE programs would become eligible for FSA without the need for these waivers. A number of these areas are discussed below.

### 50% Rules

As previously discussed, the 50% rules affect both institutional eligibility and student eligibility to participate in Title IV FSA programs. In the 108<sup>th</sup> Congress, legislative proposals were introduced in the House and Senate that would curtail the scope of the 50% rules as they apply to DE. For example, proposals have been made to eliminate or amend the provision in the first 50% rule that leads to telecommunications courses being considered correspondence courses in certain

instances.<sup>49</sup> Many of these proposals also would specifically make the other two 50% rules applicable only to correspondence courses. For purposes of determining institutional and student eligibility for FSA purposes, these proposals would in effect treat courses offered through telecommunications in the same way as courses offered through traditional methods. The 50% rules would remain in effect for institutions offering courses through correspondence.

There is some debate about whether the 50% rules hinder IHEs' ability to meet student demand for DE programs and courses. If the rules were relaxed and there was sufficient demand, increased numbers of students could begin taking advantage of DE programs and courses. This could result in increased costs to the federal government if more students became eligible for FSA. Also, there may be some concern that eliminating the 50% rules could result in increased incidences of fraud and abuse among eligible IHEs. A number of the proposals that would amend the 50% rules, however, would also add new requirements applicable to the accreditation of DE programs, potentially as a means of assuring quality. This is discussed in further detail below.

## **DE at Proprietary and Postsecondary Vocational Institutions**

Under current law, proprietary and postsecondary vocational institutions must offer at least one "eligible program" to be eligible to receive funds under Title IV.<sup>50</sup> A program is determined to be an eligible program if it is of a specified minimum length. In the 108<sup>th</sup> Congress, several proposals were made to amend the definition of "eligible program," applicable to proprietary and postsecondary vocational institutions, so that it would also include specific references to programs offered through DE. Some proposals would define a DE program as an eligible program if (1) the program is an otherwise eligible program; (2) it is offered in whole or part through telecommunications; and (3) it is offered by an IHE that has been evaluated and determined by an accrediting body recognized by ED to have the capability to effectively provide DE programs.<sup>51</sup>

Alternatively, other proposals would add a category to the definition of an eligible program for non-correspondence DE programs, which it appears would be distinct from the definition based on program length.<sup>52</sup> A program offered predominately through DE methods and processes (other than through correspondence courses), would be an eligible program if the program has been reviewed and approved by a recognized accrediting body and if the IHE offering the

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<sup>49</sup> See, for example, H.R. 2913, H.R. 3039, H.R. 4283, S. 901 and S. 1203.

<sup>50</sup> HEA, § 102. H.R. 3039 and H.R. 4283 would establish a so-called "single" definition for an IHE under § 101. Under these proposals, institutions offering at least one eligible program would generally become eligible to participate in all applicable HEA programs.

<sup>51</sup> See, for example, H.R. 3039 and H.R. 4283.

<sup>52</sup> For a discussion of current requirements, see CRS Report RL31926, *Institutional Eligibility for Participation in Title IV Student Aid Programs Under the Higher Education Act: Background and Issues*, by Rebecca R. Skinner, pp. 8-9.

program has not run afoul of certain financial and administrative requirements.<sup>53</sup> Some of these proposals would establish new criteria under which proprietary and postsecondary institutions offering DE programs could become eligible to participate in Title IV programs. These proposals would allow programs to qualify as “eligible programs” based on the means through which education is provided (i.e., DE), rather than the duration of the program as is required under current law.

## Accreditation

Issues related to accreditation may be debated as the HEA is considered for reauthorization. Proposals dealing with accreditation range from those that would eliminate accreditation and preaccreditation requirements for institutional eligibility to those that would create additional requirements applicable to accrediting bodies — for example, expanding the scope of their recognition to include the evaluation of the quality of IHEs offering DE.<sup>54</sup> With respect to DE, there are two major issues that involve the accreditation of IHEs. These involve the standards applicable to the accreditation of DE programs and courses, and policies governing the transferability of credit from one IHE to another. The first issue is particular to DE, while the second issue is part of the larger debate about accreditation.

Under current law, §496 of the HEA specifies requirements for the recognition of accrediting bodies by the Secretary. With regard to accreditation, DE programs are currently treated in a manner consistent with education provided through traditional means.<sup>55</sup> Several bills have been introduced that would establish additional requirements specific to DE for accrediting bodies seeking to have the accreditation of institutions offering programs through DE included within the scope of their recognition. Proposals include adding to the requirements of accrediting bodies specific provisions regarding the assessment of: student achievement for students enrolled in DE programs, the availability of resources and support services for DE students, and the interaction between students and faculty in DE programs.

It appears that these proposals would establish a policy of treating programs offered through DE differently than programs offered through traditional methods. Some might argue (in light of GAO’s findings) that DE programs are different enough from traditional education programs to require special review, while others might be concerned that additional requirements are inappropriate and that they amount to a new burden being placed on accrediting bodies.

There is also debate over the practice of some IHEs being selective in their recognition of credits earned at other accredited IHEs when students seek to transfer from one IHE to another. For instance, some IHEs only recognize credits from IHEs

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<sup>53</sup> See, for example, H.R. 2913 and S. 1203.

<sup>54</sup> See, for example, H.R. 838, which would eliminate accreditation and preaccreditation requirements for institutional eligibility; and H.R. 2913, H.R. 3039, H.R. 4283, and S. 1203, which would create additional requirements for the recognition of entities accrediting IHEs offering programs through DE.

<sup>55</sup> See, for example, HEA, §§ 496(a)(4) and 496(n).



accredited by specific types of accrediting agencies (e.g., regional accreditors). Some have expressed concern as to why credits earned for a course taken at an IHE accredited by an agency or association recognized by the Secretary (and which may have been paid for in part through FSA) would not be accepted for transfer by another accredited IHE. Non-acceptance of transfer credits may be seen as inefficient for the student, who may need to complete and pay for a second comparable course; inefficient for institutions, when seats are being filled by students re-taking courses; and inefficient for the federal government, if FSA is being used to support students re-taking courses in such instances.

In reaction to concerns such as these, proposals have been made to require IHEs to adopt policies stating that they will not deny students the transfer of credits from other IHEs that have been accredited by agencies or associations recognized by the Secretary, solely on the basis of the accrediting body.<sup>56</sup> Some IHEs, however, view this as eroding their autonomy in establishing their own academic standards. For instance, the proposed policy could be viewed as prohibiting IHEs from having policies regarding the acceptance of transfer credits that raise the bar above the minimum established by any accrediting body recognized by the Secretary. Even if some accrediting bodies voluntarily established more rigorous standards for the IHEs they accredit, IHEs accredited by those bodies would be prohibited from denying the transfer of credit from IHEs held only to the minimum standards required by the Secretary, without going through a formal process of reviewing individual courses against an established set of objective criteria. Some suggest that such a review process would contribute to the escalation of college costs.<sup>57</sup>

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<sup>56</sup> See, for example, H.R. 4283.

<sup>57</sup> Testimony of Barmak Nassirian, Associate Executive Director, American Association of Collegiate Registrars and Admissions Officers, in U.S. Congress, House Committee on Education and the Workforce, *H.R. 4283, the College Access & Opportunity Act: Are Students at Proprietary Institutions Treated Equitably Under Current Law?* hearing, June 16, 2004.