

# COMMISSION ON THE REGULATION OF POSTSECONDARY DISTANCE EDUCATION

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For Immediate Release:  
April 11, 2013

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## **Former Secretary Riley, Key Higher Education Panel Unveil New Interstate Reciprocity System for Universities & Colleges to More Easily Offer Online Courses Across the Country**

*Former Education Secretary Riley Leads Effort to Simplify  
Distance Learning Regulations in Order to Reduce Costs & Inefficiencies Facing  
Colleges & Universities While Ensuring Consumer Protections for Students*

*Washington, DC* – In a move that will help transform the delivery of distance learning, a diverse group of higher education and state leaders, accreditors, and regulators led by former U.S. Secretary of Education Richard Riley today unveiled plans for a new interstate reciprocity system that will significantly streamline regulations and allow universities and colleges to more easily offer online courses across the country. The Commission on the Regulation of Postsecondary Distance Education’s report seeks to free higher education institutions from the maze of costly, inefficient, and inconsistent regulations and laws in different states that often make it difficult to offer online courses to students who reside outside an institution’s home state. The plan also sets in place consumer protections to safeguard students.

While the Commission’s plan is based on the voluntary participation of states and institutions, it is expected to be widely adopted across the country since the proposal was developed by a diverse group of leaders representing the full spectrum of stakeholders in postsecondary distance education policy. To promptly move forward with implementation of the Commission’s work, the Presidents' Forum and the Council of State Governments are hosting 47 state teams in Indianapolis next week to discuss the recommendations and corresponding next steps.

“It is my belief that this proposal will make a real difference in the ability of higher education institutions to effectively deliver distance education courses across the country,” said Riley, who served as Education Secretary throughout the entire Clinton administration. “The importance of this work cannot be overstated. The nearly 7 million students using online technology to access postsecondary education will benefit immensely from the consumer protection and quality assurances built into the Commission’s proposed system of interstate reciprocity. Furthermore, this system will increase opportunity and access for students across the country, bringing us closer to the goal of leading the world in college completion rates.”

Distance education has emerged as a viable alternative and supplement to the traditional in-classroom postsecondary experience – particularly for non-traditional students such as working parents and active military personnel. State and federal laws and policies, however, have not kept up with the rapid growth of distance education programs. One result is that education providers face a patchwork of individual state regulations with different requirements and varying degrees of complexity and costs.

“Universities are going through a period of extraordinary change in which they must adapt to the demand and need for increased online learning,” said Association of Public and Land-grant Universities President Peter McPherson, who assisted Riley in coordinating the Commission’s work. “The Commission’s plan provides a clear regulatory path forward for institutions to grow their distance education programs and meet the evolving needs of students. Secretary Riley’s leadership was impressive and his work on the Commission was extraordinary. Through what can only be fairly described as the Riley Report, he has made a major contribution to effective and cost-efficient online learning.”

State agencies generally require institutions to pay a fee for authorization. The fee structures vary greatly by state -- from \$0 to more than \$10,000 -- and may increase if the institution offers multiple programs or degree types. Additional fees include site visits, surety bonds, and renewal fees. Cost estimates for institutions to achieve full compliance range from \$76,100 for a public community college to comply with requirements in five states for 257 students to \$5.5 million for a public university system to comply with 49 states. These estimates do not include the additional expense of staff time, which may cost some institutions as much as \$195,000. State authorization procedures often duplicate those of accrediting agencies, creating unnecessary and redundant costs for institutions. For those states where an institution has very few students, the cost of compliance may exceed tuition revenue.

The Commission’s interstate reciprocity system calls for a single set of baseline standards and procedures to regulate distance education programs. The reciprocity system will ensure institutions can easily operate distance education programs in multiple states as long as they meet the regulatory requirements of their home state. The home state regulation will include standards dealing with institutional quality, consumer protection, and institutional financial responsibility.

Specifically, the interstate reciprocity system would work as follows:

- The home state of an institution would be responsible for regulating and overseeing that institution’s work nationwide. Each state would assure that its institutions meet a set of agreed upon national baseline standards, but could require additional oversight and regulation of its schools as it sees fit.
- Other states in which the institution in question would offer distance education programs could not regulate that institution unless the institution has a “physical presence” in the state. Most regulatory activity over the last two decades has involved defining the concept of physical presence. A core concept in the Commission's recommendations, therefore, is a proposed definition of physical presence for all participating states.
- Institutions with a physical presence in another state, however, would be subject to regulations of that other state, but only for work done within that state.

“The state laws and regulatory practices of the 20<sup>th</sup> century no longer work,” said Paul Lingenfelter, President of the State Higher Education Executive Officers association (SHEEO), who collaborated with Peter McPherson in assisting Secretary Riley and the Commission. “The Commission’s recommendations will give the states the tools required to implement an effective, efficient quality assurance/consumer protection system. I am grateful for Secretary Riley’s leadership and all the institutions, states, and accreditors who worked together to develop this plan.”

This agreement will result in more access to higher education opportunities for students and provide appropriate quality assurance of distance education. It also alleviates the need for states to monitor all institutions offering distance education within their borders. Instead, participating states can focus on their in-state institutions and trust that out-of-state institutions are being monitored by their home state to ensure that they meet the requirements of the reciprocal agreement.

Under the Commission’s plan, the four regional higher education compacts that already exist -- the Midwestern Higher Education Compact (MHEC), the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE) -- would oversee the implementation of the reciprocity agreements. The three states that do not currently belong to any of the compacts and the District of Columbia would be able to join a compact for the purposes of distance education interstate reciprocity. Additionally, the Commission calls for the implementation of a national coordinating board to assist the compacts and ensure national alignment with the proposed agreement's requirements.

The Commission's work builds upon the efforts of the Presidents' Forum / Council of State Governments and WICHE to develop a model state reciprocity agreement and implementation plan that they call the "State Authorization Reciprocity Agreement (SARA)."

Paul Shiffman, Assistant Vice President for Strategic and Governmental Relations and Executive Director of the Presidents' Forum, Excelsior College said, “At present, there is no alternative to each institution separately pursuing state authorization in each state and territory in which it serves students. Consequently, thousands of institutions are required to seek approval to serve students in as many as 54 states and territories. In 2009, The Lumina Foundation provided funding to the Presidents’ Forum and the Council of State Governments, to advance a model State Authorization Reciprocity Agreement (SARA) to make state authorization more efficient, more uniform in regard to necessary and reasonable standards of practice that span states, and more effective in dealing with quality and integrity issues. It is notable, if not of historic significance, that this initiative has now evolved through the work of the Commission to include all of the recognized higher education leadership organizations, regulators, policymakers and accreditors in the establishment of SARA. This achievement strengthens our nation’s efforts to increase the educational attainment of its people.”

Since students who participate in distance education programs sometimes complete their courses and programs outside the visibility of traditional oversight and monitoring structures, the Commission calls for greater protections against fraud and misrepresentation. With the interstate reciprocity system likely to increase the number of students participating in distance education programs, the Commission underscored the need for participating states and institutions to take

special care to protect these students. As a prerequisite for state participation, the Commission calls for a clear process to receive and resolve consumer complaints about institutions regardless of whether those claims are based on activities taking place outside of an institution's home state.

The full set of recommendations from the Commission, which was founded in May 2012, can be found here: [www.aplu.org/RileyReport](http://www.aplu.org/RileyReport)

The Commission's members include:

Meg Benke, Acting President, State University of New York Empire State College  
Hon. James Geringer, Chair, Western Governors University Board of Trustees; Director of Policy and Public Sector Strategies, ESRI; former Governor of Wyoming  
Hon. Joseph Garcia, Lieutenant Governor, Colorado  
Rufus Glasper, Chancellor, The Maricopa County Community Colleges  
Terry Hartle, Senior Vice President, Division of Government and Public Affairs, American Council on Education  
Marshall A. Hill, Executive Director, Nebraska Coordinating Commission for Postsecondary Education  
Arthur Kirk, President, Saint Leo University  
Paul Lingenfelter, President, State Higher Education Executive Officers Association  
Sylvia Manning, President, Higher Learning Commission of the North Central Association  
M. Peter McPherson, President, Association of Public and Land-grant Universities  
Bobby Moser, Chair, American Distance Education Consortium Board of Directors; former Dean, the College of Food, Agricultural and Environmental Sciences, The Ohio State University  
Hon. Tad Perry, former Representative, South Dakota House of Representatives; former Chief Executive Officer, South Dakota Board of Regents  
George Peterson, Executive Director emeritus, Accreditation Board for Engineering and Technology, ABET  
Michael Plater, President, Strayer University  
Pamela Quinn, Provost, LeCroy Center, Dallas Community College District  
James Petro, former Chancellor, Ohio Board of Regents  
Hon. Richard Riley, Senior Partner, EducationCounsel LLC; former U.S. Secretary of Education; former Governor of South Carolina  
George Ross, President, Central Michigan University  
Paul Shiffman, Assistant Vice President for Strategic and Governmental Relations and Executive Director of the Presidents' Forum, Excelsior College  
Ronald Taylor, Co-Founder and retired Chief Executive Officer, DeVry Inc.  
Belle Wheelan, President, Southern Association of Colleges and Schools Commission on Colleges

The Commission's work was supported by EducationCounsel LLC and the staff of APLU and SHEEO.

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