

American Association of Collegiate Registrars and Admissions Officers



One Dupont Circle, NW, Suite 520 / Washington, DC 20036-1135
(202) 293-9161 Main / (202) 872-8857 Fax
www.aacrao.org

August 24, 2016

Sophia McArdle
U.S. Department of Education
400 Maryland Avenue SW, Room 6W256
Washington, DC 20202

Scott Filter
U.S. Department of Education
400 Maryland Avenue SW, Room 6W253
Washington, DC 20202.

Re: July 25, 2016 Notice of Proposed Rulemaking Program Integrity and Improvement
Docket ID ED-2016-OPE-0050

Dear Ms. McArdle and Mr. Filter,

On behalf of the American Association of Collegiate Registrars and Admissions Officers (AACRAO), I write to respectfully submit our comments on the Department's July 25, 2016 Federal Register notice, in which it proposes a rule to amend the state authorization sections of the Institutional Eligibility regulations issued under Title IV of the Higher Education Act of 1965, as amended.

AACRAO is a nonprofit association of more than 11,000 campus enrollment officials who represent approximately 2,600 institutions and agencies in the United States and more than 40 other countries. Our members play a central role in protecting and maintaining the academic integrity of their institutions as admissions gatekeepers and as codifiers and custodians of the institutional academic policies that govern the awarding of credits and credentials. They also have a systemic interest in academic integrity across the spectrum of educational institutions, since they must make decisions based upon credits and credentials granted by high schools and previously attended colleges and universities. As key stakeholders in promoting the integrity of all collegiate institutions, AACRAO members are particularly reliable partners in the Department's efforts to review and improve program integrity in Title IV Federal Student Aid programs.

AACRAO is alarmed by threats to the reputation and integrity of all academic institutions posed by the rise of "diploma mills" and instances of uneven and lax standards for accreditation and state licensure. The constant battle against ever more sophisticated fraud and abuse and the proliferation of applications based on fraudulent and

questionable credentials now occupies a major aspect of our members' professional responsibilities.

The rapid growth of distance education has further contributed to confusion regarding state licensing. Although state authorization is designed to serve as a safeguard for protecting the integrity of Title IV programs, states vary greatly in their practices in this regard. Some institutions, seeking to evade the more robust licensure requirements of some states, have set up operations in states with the weakest licensure requirements and have been conducting business nationwide from these locations. These institutions often enroll the majority of students outside the state in which they are licensed, assuming that state authorities will be unlikely to expend local resources to protect the interests of students from other states. Each year, billions of dollars from Title IV programs enable students to participate in and benefit from higher education programs. Unfortunately, the lax eligibility standards and poor gatekeeping of these distance education programs allow some institutions to take advantage of taxpayer funds.

AACRAO expresses its support for the Department's efforts to strengthen the regulation and enforcement of program integrity provisions in Title IV of the Higher Education Act. The requirement for state authorization is a crucial component of the Title IV gatekeeping triad. States have long been primary providers of consumer protection for their residents, and the proposed state authorization requirement further empowers them to enforce their rules in that capacity.

We commend the Department's proposed requirement to extend minimum standards of state authorization for participation in Title IV programs to distance education programs and correspondence courses. The Higher Education Act has long required higher education institutions to be authorized in the state in which they are physically located as a condition for Title IV eligibility. We believe the proposed regulation would expand much-needed protections for students enrolled in distance education programs and correspondence courses. The ability of subpar institutions to access Title IV funds undermines public support for these programs and devalues all academic credentials, even those that have been earned at legitimate collegiate institutions.

Additionally, we appreciate the Department's recognition of state authorization through participation in reciprocity agreements to fulfill the proposed requirement. The inclusion of state authorization reciprocity agreements helps to minimize the burden on well-intentioned institutions that provide distance education in multiple states. Recognition of state authorization reciprocity agreements would benefit over 1,000 institutions in more than 40 states. We are, however, still concerned that the requirement could result in increased costs and efforts for institutions located in states that do not participate in reciprocity agreements, especially for institutions with relatively few students enrolled outside of the state.

AACRAO is also concerned with new language included in the notice of proposed rulemaking that does not adequately distinguish between distance education "programs" and "courses." The language inconsistently refers to "distance education or correspondence courses" in proposed § 600.9(c)(1)(i), but to "distance education

programs or correspondence courses” in proposed § 668.50. As currently written, the proposed regulations imply that institutions that offer individual distance education courses – not as part of an established distance education program or correspondence course – would be required to seek state authorization, even if those courses are not part of a Title IV-eligible program. We believe that such a requirement for individual courses is unnecessary for the purposes of safeguarding the integrity of Title IV programs, as such courses fall outside the realm of eligibility, and would be overly burdensome on institutions. AACRAO urges the Department to continue to focus the intent of the proposed regulation on the programmatic level and to amend the language regarding institutional eligibility to clearly refer to “distance education programs,” as opposed to “distance education courses.”

Finally, we commend the Department’s efforts to increase transparency with the inclusion of institutional disclosures for distance education or correspondence programs. Better, less distorted information regarding distance education program authorization, applicable licensure and certification requirements, and legitimate complaints against a program should be broadly circulated by the Department. More action could be taken by the Department to not only require institutions to disclose such information to enrolled and prospective student but to also limit Title IV eligibility to distance education programs that receive legitimate complaints of malfeasance.

AACRAO would like to thank you for your consideration of our views regarding the Notice of Proposed Rulemaking. We stand ready to work with the Department to develop more effective and more efficient regulations to advance important additional safeguards to protect students, the taxpayers, and legitimate collegiate institutions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael V. Reilly". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Michael V. Reilly
Executive Director