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Testimony

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DISTANCE EDUCATION

Challenges for Minority Serving Institutions and Implications for Federal Education Policy

Statement of Cornelia M. Ashby
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GAO
Accountability ★ Integrity ★ Reliability

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DISTANCE EDUCATION

Challenges for Minority Serving Institutions and Implications for Federal Education Policy

Why GAO Did This Study

The Higher Education Act of 1965 gives special recognition to some postsecondary schools—called Minority Serving Institutions—that serve a high percentage of minority students. These and other schools face stiff challenges in keeping pace with technology. One rapidly growing area, distance education, has commanded particular attention and an estimated 1.5 million students have enrolled in at least one distance education course.

In light of this, GAO was asked to provide information on: (1) the use of distance education by Minority Serving Institutions; (2) the challenges Minority Serving Institutions face in obtaining and using technology; (3) GAO's preliminary finding on the role that accrediting agencies play in ensuring the quality of distance education; and (4) GAO's preliminary findings on whether statutory requirements limit federal aid to students involved in distance education.

GAO is currently finalizing the results of its work on (1) the role of accrediting agencies in reviewing distance education programs and (2) federal student financial aid issues related to distance education.

What GAO Found

There are some variations in the use of distance education at Minority Serving Institutions when compared to other schools. While it is difficult to generalize, Minority Serving Institutions offered at least one distance education course at the same rate as other schools. When Minority Serving Institutions offered distance education, they did so to improve access for students who live away from campus and provide convenience to older, working, or married students. Some Minority Serving Institutions do not offer distance education because classroom education best meets the needs of their students. Additionally, schools view the overall use of technology as a critical tool in educating their students and they generally indicated that offering more distance education was a lower priority than using technology to educate their classroom students. The two primary challenges in meeting technology goals cited by these institutions were limitations in funding and inadequate staffing to maintain and operate information technology.

Selected Characteristics of Minority Serving Institutions

Characteristics	Type of Institution		
	Historically Black Colleges and Universities	**Hispanic Serving Institutions**	**Tribal Colleges**
Number of schools[a]	102	334	29
Percent of each type of institution			
Public	50	45	100
Private nonprofit	50	23	0
Private for-profit	0	32	0
Average number of students per institution	2,685	5,141	467
Number of students served in 2000-01	274,000	1.7 million	13,500

Source: Department of Education and GAO analysis.

Accrediting agencies have taken steps to ensure the quality of distance education programs, such as developing supplemental guidelines for reviewing these programs. However, GAO found (1) no agreed upon set of standards for holding institutions accountable for student outcomes and (2) differences in how agencies review distance education programs. Finally, several statutory rules limit the amount of federal aid for distance education students. GAO estimates that at least 14 schools are not eligible or could lose their eligibility for federal student financial aid if their distance education programs continue to expand. While the number of schools potentially affected is relatively small in comparison to the more than 6,000 postsecondary institutions in the country, this is an important issue for the nearly 210,000 students who attend these schools. Several factors must be considered before deciding whether to eliminate or modify these rules. They include the cost of implementation, the extent to which the changes improve access, and the impact that changes would have on Education's ability to prevent schools from fraudulent or abusive practices.

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Mr. Chairman and members of the subcommittee:

I am pleased to be here today to discuss issues related to distance education[1] and its implications for federal programs that support postsecondary schools serving a high percentage of minority students and for the federal student financial aid programs that exceeded $60 billion in 2003. For over 100 years, the Congress has recognized that some postsecondary institutions—including the University of Texas Pan-American—have unique roles to play in educating minority students. These schools serve a high proportion of minority students and have special designation under federal law as Minority Serving Institutions.[2] Like other postsecondary institutions, over the last decade, Minority Serving Institutions have faced the challenge of trying to keep pace with the changing face of technology in education. One rapidly growing area—distance education—has commanded particular attention on campuses around the world. In the 1999-2000 school year, an estimated 1.5 million postsecondary students, or about 1 in 13 students, enrolled in at least one distance education course, and the Department of Education (Education) estimates that the number of students involved in distance education has tripled in just 4 years. The Higher Education Act of 1965, as amended, will be reauthorized within the coming year. Among other purposes, the act provides federal support for Minority Serving Institutions through Titles III and V, including support for technological improvements at these schools. Title IV of the act authorizes the federal government to provide grants, loans, and work-study wages for millions of postsecondary students each year; however, there are limits on some financial aid to distance education students.

Given the changes in how education is being offered, you asked us to testify on the following issues: (1) the use of distance education by Minority Serving Institutions compared to non-Minority Serving Institutions; (2) the challenges Minority Serving Institutions face in obtaining and using technology and how Education monitors technological progress at these schools; (3) our preliminary findings on

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[1]The Higher Education Act of 1965, as amended, defines distance education as an educational process in which the student is separated in time or place from the instructor (20 U.S.C. 1093(h)).

[2]The three main types of Minority Serving Institutions are Historically Black Colleges and Universities, Tribal Colleges, and Hispanic Serving Institutions. Other types of Minority Serving Institutions include Alaska Native and Native Hawaiian serving institutions.

the role that accrediting agencies play in ensuring the quality of distance education programs; and (4) our preliminary findings on whether statutory requirements limit federal student aid for students involved in distance education. In addition to this statement, we are releasing a report today on distance education at Minority Serving Institutions.[3] This report discusses many of these issues in more detail. We will issue a second report in December 2003 on accrediting agencies and statutory and regulatory issues related to distance education.

Our statement is based on responses to distinct surveys developed and sent to Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges; data on distance education produced by Education;[4] analysis of Education databases;[5] visits to seven accrediting agencies responsible for reviewing two-thirds of all distance education programs; and interviews with Education officials, accreditors, and officials of schools with substantial distance education programs. We performed our work between October 2002 and September 2003 in accordance with generally accepted government auditing standards.

In summary:

- There are some variations in the use of distance education at Minority Serving Institutions and other schools. While it is difficult to generalize across Minority Serving Institutions, Minority Serving Institutions tend to offer at least one distance education course at the same rate as other schools, but they differ in how many courses are offered and which students take the courses. Like other schools, larger Minority Serving Institutions tend to offer more distance education than smaller schools and public schools tend to offer more distance education than private schools. However, Historically Black Colleges and Universities and Tribal Colleges generally offered fewer classes, and a smaller percentage of minority students at Historically Black Colleges and Universities take such courses. When Minority Serving Institutions offered distance education, they did so to (1) improve access to courses for some students who live

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[3]U.S. General Accounting Office, *Distance Education: More Data Could Improve Education's Ability to Track Technology at Minority Serving Institutions*, GAO-03-900 (Washington, D.C.: Sept. 12, 2003).

[4]U.S. Department of Education, *Distance Education at Degree-Granting Postsecondary Education Institutions: 2000-2001* (Washington, D.C.: July 2003).

[5]We analyzed Education's National Postsecondary Student Aid Study and the Integrated Postsecondary Educational Data System (IPEDS).

away from campus and (2) provide convenience to older, working, or married students. By design, some Minority Serving Institutions indicated that they do not offer distance education because they prefer classroom education to best meet the needs of their students.

- Minority Serving Institutions, like other schools, face stiff challenges in keeping pace with the rapid changes and opportunities presented by information technology. Minority Serving Institutions view the use of technology as a critical tool in educating their students and they generally indicated that offering more distance education was a lower priority than using technology to educate their classroom students. For example, all three types of institutions reported that their highest priority was providing more training for faculty in the use of information technology as a teaching method. Other priorities included improving network infrastructure, increasing the use of technology in classrooms, and guaranteeing that all students have access to a computer. More than four out of five Minority Serving Institutions indicated that they expect to have difficulties in meeting their goals related to technology. The two primary challenges cited by Minority Serving Institutions were (1) limitations in funding and (2) inadequate staffing to maintain and operate information technology. With respect to how Education monitors technological improvements at Minority Serving Institutions, we found that Education could develop better data to improve their ability to track technological improvements at Minority Serving Institutions. Specifically, we found that progress could be made by collecting more complete data on technology improvements across the three major types of Minority Serving Institutions and by developing baseline data to measure progress on the technological capacity at Minority Serving Institutions.

- Based on our ongoing work, we have preliminary findings on the role that accrediting agencies play in ensuring the quality of distance education programs and information on certain statutory requirements that limit federal financial aid to distance education students. Uncertainty about the quality of distance education programs has turned attention toward what accrediting agencies do to ensure the quality of distance education programs. Our preliminary analysis shows that while accrediting agencies have taken steps to ensure the quality of distance education programs, such as developing supplemental guidelines for reviewing distance education programs, there are two areas that potentially could merit further attention. First, there is no agreed upon set of standards that accrediting agencies use in holding postsecondary institutions accountable for student outcomes. Second, there are differences in their procedures for reviewing distance education programs—for example, some agencies

require institutions to demonstrate comparability between distance education programs and campus-based programs, while others do not.

- Finally, also based on our preliminary work, we found that several statutory rules—designed to prevent fraud and abuse in distance education—limit federal aid for distance education students. We estimate that at least 14 schools are not eligible or could lose their eligibility for participation in the federal student financial aid programs if their distance education programs continue to expand. While the number of schools potentially affected is relatively small in comparison to the more than 6,000 postsecondary institutions in the country, this is an important issue for the nearly 210,000 students who attend these schools. Deciding whether to eliminate or modify these rules involves consideration of several other factors, including the cost of implementation, the extent to which the changes improve access to postsecondary schools, and the impact that changes would have on Education's ability to prevent institutions from fraudulent or abusive practices.

We are currently finalizing the results of our work on (1) the role of accrediting agencies in reviewing distance education programs and (2) federal student financial aid issues related to distance education. A report on these issues will be available in December 2003.

Background

Minority Serving Institutions vary in size and scope but generally serve a high percentage of minority students, many of whom are financially disadvantaged. In the 2000-01 school year, 465 schools, or about 7 percent of postsecondary institutions in the United States,[6] served about 35 percent of all Black, American Indian, and Hispanic students. Table 1 briefly compares the three main types of Minority Serving Institutions in terms of their number, type, and size.

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[6]These include institutions in U.S. territories, such as Puerto Rico, that are authorized to distribute federal student financial aid.

Table 1: Selected Characteristics of Minority Serving Institutions

	Type of Institution		
Characteristics	**Historically Black Colleges and Universities**	**Hispanic Serving Institutions**	**Tribal Colleges**
Number of schools[a]	102	334	29
Percent of each type of institution			
Public	50	45	100
Private nonprofit	50	23	0
Private for-profit	0	32	0
Average number of students per institution	2,685	5,141	467
Number of students served in 2000-01	274,000	1.7 million	13,500

Source: Department of Education and GAO analysis of IPEDS for the 2000-01 school year.

[a]This figure represents the number of schools eligible for the federal student aid programs in the 2000-01 school year based on our analysis of IPEDS.

The Higher Education Act of 1965, as amended, provides specific federal support for Minority Serving Institutions through Titles III and V. These provisions authorize grants for augmenting the limited resources that many Minority Serving Institutions have for funding their academic programs. In 2002, grants funded under these two titles provided over $300 million for Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges to improve their academic quality, institutional management, and fiscal stability. Technology is one of the many purposes to which these grants can be applied, both inside the classroom and, in the form of distance education, outside the classroom.

Technology is changing how institutions educate their students, and Minority Serving Institutions, like other schools, are grappling with how best to adapt. Through such methods as E-mail, chat rooms, and direct instructional delivery via the Internet, technology can enhance students' ability to learn any time, any place, rather than be bound by time or place in the classroom or in the library. For Minority Serving Institutions, the importance of technology takes on an additional dimension in that available research indicates their students may arrive with less prior access to technology, such as computers and the Internet, than their

counterparts in other schools.[7] These students may need considerable exposure to technology to be fully equipped with job-related skills.

The growth of distance education has added a new dimension to evaluating the quality of postsecondary education programs. Federal statutes recognize accrediting agencies[8] as the gatekeepers of postsecondary education quality. To be eligible for the federal student aid program, a school must be periodically reviewed and accredited by such an agency. Education, in turn, is responsible for recognizing an accrediting agency as a reliable authority on quality. While the accreditation process applies to both distance education and campus-based instruction, many accreditation practices focus on the traditional means of providing campus-based education, such as the adequacy of classroom facilities or recruiting and admission practices. These measures can be more difficult to apply to distance education when students are not on campus or may not interact with faculty in person. In this new environment, postsecondary education officials are increasingly recommending that outcomes—such as course completion rates or success in written communication—be incorporated as appropriate into assessments of distance education.

The emphasis on student outcomes has occurred against a backdrop of the federal government, state governments, and the business community asking for additional information on what students are learning for the tens of billions of taxpayer dollars that support postsecondary institutions each year. While there is general recognition that the United States has one of the best postsecondary systems in the world, this call for greater accountability has occurred because of low completion rates among low-income students (only 6 percent earn a bachelors degree or higher), perceptions that the overall 6-year institutional graduation rate (about 52 percent) at 4-year schools and the completion rate at 2-year schools (about 33 percent) are low, and a skills gap in problem solving, communications, and analytical thinking between what students are taught and what employers need in the 21st Century workplace.

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[7]The Web-Based Education Commission, *The Power of the Internet for Learning: Moving from Promise to Practice* (Washington D.C.: December 2000).

[8]Education defines an accrediting agency as a legal entity, or that part of a legal entity, that conducts accrediting activities through voluntary, nonfederal peer review and makes decisions concerning the accreditation or preaccreditation status of institutions, programs, or both.

For the most part, students taking distance education courses can qualify for financial aid in the same way as students taking traditional courses.[9] As the largest provider of student financial aid to postsecondary students, the federal government has a substantial interest in distance education. Under Title IV of the Higher Education Act of 1965, as amended, the federal government provides grants, loans, and work-study wages for millions of students each year. There are limits, however, on the use of federal student aid at schools with large distance education offerings. Concerns about the quality of some correspondence courses more than a decade ago led the Congress, as a way of controlling fraud and abuse in federal student aid programs, to impose restrictions on the extent to which schools could offer distance education and still qualify to participate in federal student aid programs. The rapid growth of distance education and emerging delivery modes, such as Internet-based classes, have led to questions about whether these restrictions are still needed and how the restrictions might affect students' access to federal aid programs. Distance education's effect on helping students complete their courses of study is still largely unknown. Although there is some anecdotal evidence that distance education can help students complete their programs or graduate from college, school officials that we spoke to did not identify any studies that evaluated the extent to which distance education has improved completion or graduation rates.

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[9]Students who took their entire program through distance education courses received an estimated $763 million in federal student aid in the1999-2000 school year. Students who took at least one distance education course may have also received federal student aid; however, the data sources used by National Postsecondary Student Aid Study do not distinguish aid awarded for distance education courses and traditional classroom courses.

Distance Education Use Varies between Minority Serving Institutions and Other Schools, with Some Minority Serving Institutions Choosing Not to Offer Any Distance Education

There are some variations in the use of distance education at Minority Serving Institutions and other schools. While it is difficult to generalize across the Minority Serving Institutions, the available data indicate that Minority Serving Institutions tend to offer at least one distance education course at the same rate as other schools, but they differ in how many courses are offered and which students take the courses. Overall, the percentage of schools offering at least one distance education course in the 2002-03 school year was 56 percent for Historically Black Colleges and Universities, 63 percent for Hispanic Serving Institutions, and 63 percent for Tribal Colleges, based on data from our surveys of Minority Serving Institutions. Similarly, 56 percent of 2- and 4-year schools across the country offered at least one distance education course in the 2000-01 school year, according to a separate survey conducted by Education.[10] Minority Serving Institutions also tended to mirror other schools in that larger schools were more likely to offer distance education than smaller schools, and public schools were more likely to offer distance education than private schools. Tribal Colleges were an exception; all of them were small, but the percentage of schools offering distance education courses was relatively high compared to other smaller schools. The greater use of distance education among Tribal Colleges may reflect their need to serve students who often live in remote areas.

In two respects, however, the use of distance education at Minority Serving Institutions differed from other schools. First, of those institutions offering at least one distance education course, Historically Black Colleges and Universities and Tribal Colleges generally offered fewer distance education courses—a characteristic that may reflect the smaller size of these two types of institutions compared to other schools.[11] Second, to the extent that data are available, minority students at Historically Black Colleges and Universities and Hispanic Serving Institutions participate in distance education to a somewhat lower degree than other students. For example, in the 1999-2000 school year, fewer undergraduates at Historically Black Colleges and Universities took distance education courses than students at non-Minority Serving Institutions—6 percent v.

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[10]The data from our survey and survey conducted by Education are not completely comparable because they cover two different time periods. Education's survey covered the 2000-01 school year while our survey covered the 2002-03 school year.

[11]Historically Black Colleges and Universities and Tribal Colleges are generally smaller in size than postsecondary institutions overall. The average Hispanic Serving Institution, however, was more than two times larger than the average postsecondary institution in 2000.

8.4 percent of undergraduates—a condition that may reflect the fact that these schools offer fewer distance education courses. Also, at Hispanic Serving Institutions, Hispanic students had lower rates of participation in distance education than non-Hispanic students attending these schools. These differences were statistically significant.

We found that Minority Serving Institutions offered distance education courses[12] for two main reasons: (1) they improve access to courses for some students who live away from campus and (2) they provide convenience to older, working, or married students. The following examples illustrate these conditions.

- Northwest Indian College, a Tribal College in Bellingham, Washington, has over 10 percent of its 600 students involved in distance education. It offers distance education by videoconference equipment or correspondence. The College offers over 20 distance education courses, such as mathematics and English to students at seven remote locations in Washington and Idaho. According to College officials, distance education technology is essential because it provides access to educational opportunities for students who live away from campus. For example, some students taking distance education courses live hundreds of miles from the College in locations such as the Nez Perce Reservation in Idaho and the Makah Reservation in Neah Bay, Washington. According to school officials, students involved in distance education tend to be older with dependents, and therefore, find it difficult to take courses outside of their community. Also, one official noted that staying within the tribal community is valued and distance education allows members of tribes to stay close to their community and still obtain skills or a degree.

- The University of the Incarnate Word is a private nonprofit Hispanic Serving Institution with an enrollment of about 6,900 students. The school, located in San Antonio, Texas, offers on-line degree and certificate programs, including degrees in business, nursing, and information technology. About 2,400 students are enrolled in the school's distance education program. The school's on-line programs are directed at nontraditional students (students who are 24 years old or older), many of whom are Hispanic. In general, the ideal candidates for the on-line program are older students, working adults, or adult learners who have

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[12]The two most common modes of delivering distance education for Minority Serving Institutions were (1) on-line courses using a computer and (2) live courses transmitted via videoconference.

been out of high school for 5 or more years, according to the Provost and the Director of Instructional Technology.

Not all schools wanted to offer distance education, however, and we found that almost half of Historically Black Colleges and Universities and Hispanic Serving Institutions[13] did not offer any distance education because they preferred to teach their students in the classroom rather than through distance education.[14] Here are examples from 2 schools that prefer teaching their students in the classroom rather than by the use of distance education.

- Howard University, an Historically Black University in Washington, D.C., with about 10,000 students, has substantial information technology; however, it prefers to use the technology in teaching undergraduates on campus rather than through developing and offering distance education. The University has state-of-the-art hardware and software, such as wireless access to the school's network; a digital auditorium; and a 24-hour-a-day Technology Center, which support and enhance the academic achievement for its students. Despite its technological capabilities, the University does not offer distance education courses to undergraduates and has no plans to do so. According to the Dean of Scholarships and Financial Aid, the University prefers teaching undergraduates in the classroom because more self-discipline is needed when taking distance education courses. Also, many undergraduates benefit from the support provided by students and faculty in a classroom setting.

- Robert Morris College is a private nonprofit Hispanic Serving Institution located in Chicago, Illinois, that offers bachelor degrees in business, computer technology, and health sciences. About 25 percent of its 6,200 undergraduates are Hispanic. Although the College has one computer for every 4 students, it does not offer distance education courses and has no plans to do so. School officials believe that classroom education best meets the needs of its students because of the personal interaction that occurs in a classroom setting.

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[13]Forty-four percent of Historically Black Colleges and Universities, 37 percent of Hispanic Serving Institutions, and 39 percent of Tribal Colleges did not offer any distance education.

[14]Conversely, only 10 percent of Tribal Colleges that are not involved in distance education indicated that classroom education best meets the needs of their students.
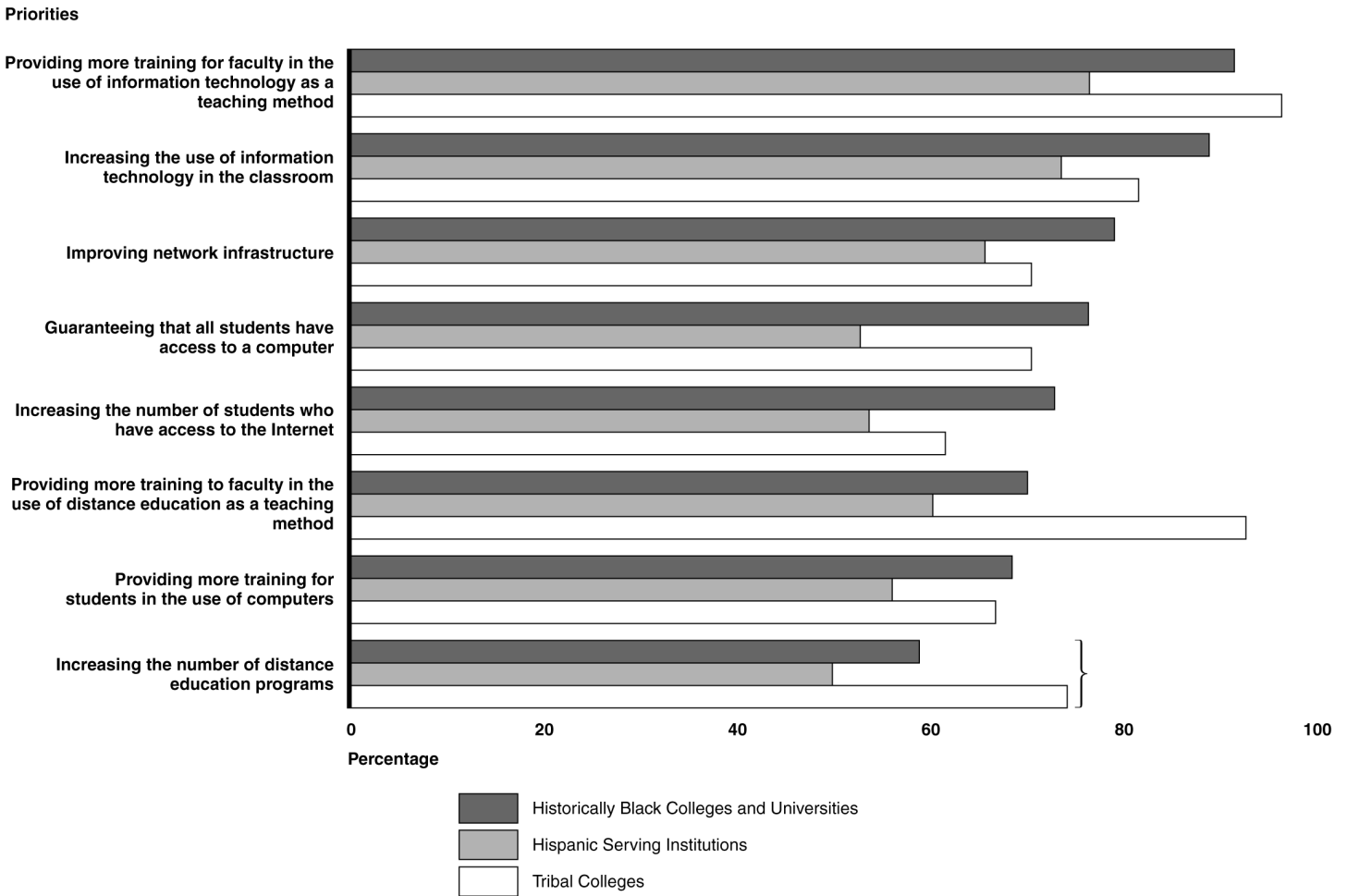
Among Minority Serving Institutions that do not offer distance education, over 50 percent would like to offer distance education in the future, but indicated that they have limited resources with which to do so. About half of Historically Black Colleges and Universities and Hispanic Serving Institutions that do not offer distance education indicated that they do not have the necessary technology—including students with access to computers at their residences—for distance education. A higher percentage of Tribal Colleges (67 percent) cited limitations in technology as a reason why they do not offer distance education. Technological limitations are twofold for Tribal Colleges. The first, and more obvious limitation is a lack of resources to purchase and develop needed technologies. The second is that due to the remote location of some campuses, needed technological infrastructure is not there—that is, schools may be limited to the technology of the surrounding communities. All 10 Tribal Colleges that did not offer distance education indicated that improvements in technology, such as videoconference equipment and network infrastructure with greater speed, would be helpful.

Minority Serving Institutions Face Sizable Challenges in Using Technology, Including Distance Education, and Education's Efforts to Monitor Technology Could Be Improved

Minority Serving Institutions, like other schools, face stiff challenges in keeping pace with the rapid changes and opportunities presented by information technology and Education could improve how technological progress is monitored. Minority Serving Institutions view the use of technology as a critical tool in educating their students. With respect to their overall technology goals, Minority Serving Institutions viewed using technology in the classroom as a higher priority than offering distance education. (See fig. 1.) Other priorities included improving network infrastructure and providing more training for faculty in the use of information technology as a teaching method.

Figure 1: Distance Education Generally Ranks Lower in Relation to Other Technology Goals

Priorities

Source: GAO's Minority Serving Institution survey.

Minority Serving Institutions indicated that they expect to have difficulties in meeting their goals related to technology. Eighty-seven percent of Tribal Colleges, 83 percent of Historically Black Colleges and Universities, and 82 percent of Hispanic Serving Institutions cited limitations in funding as a primary reason for why they may not achieve their technology-related goals. For example, the Southwest Indian Polytechnic Institute in Albuquerque, New Mexico, serves about 670 students and it uses distance education to provide courses for an associates degree in early childhood development to about 100 students. The school uses two-way satellite

communication and transmits the courses to 11 remote locations. According to a technology specialist at the school, this form of distance education is expensive compared to other methods. As an alternative, the Institute would like to establish two-way teleconferencing capability and Internet access at the off-site locations as a means of expanding educational opportunities. However, officials told us that they have no means to fund this alternative.

About half of the schools also noted that they might experience difficulty in meeting their goals because they did not have enough staff to operate and maintain information technology and to help faculty apply technology. For example, officials at Diné College, a Tribal College on the Navajo Reservation, told us they have not been able to fill a systems analyst position for the last 3 years. School officials cited their remote location and the fact that they are offering relatively low pay as problems in attracting employees that have skills in operating and maintaining technology equipment.

Having a systematic approach to expanding technology on campuses is an important step toward improving technology at postsecondary schools. About 75 percent of Historically Black Colleges and Universities, 70 percent of Hispanic Serving Institutions, and 48 percent of Tribal Colleges had completed a strategic plan for expanding their technology infrastructure. Fewer schools had completed a financial plan for funding technology improvements. About half of Historically Black Colleges and Universities and Hispanic Serving Institutions, and 19 percent of Tribal Colleges have a financial plan for expanding their information technology.

Studies by other organizations describe challenges faced by Minority Serving Institutions in expanding their technology infrastructure. For example, an October 2000 study by Booz, Allen, and Hamilton determined that historically or predominantly Black colleges identified challenges in funding, strategic planning, and keeping equipment up to date. An October 2000 report by the Department of Commerce found that most Historically Black Colleges and Universities have access to computing resources, such as high-speed Internet capabilities, but individual student access to campus networks is seriously deficient due to, among other things, lack of student ownership of computers or lack of access from campus dormitories. An April 2003 Senate Report noted that only one Tribal College has funding for high-speed Internet.

Education has made progress in monitoring the technological progress of Minority Serving Institutions; however, its efforts could be improved in

two ways. First, more complete data on how Historically Black Colleges and Universities and Tribal Colleges use Title III funds for improving technology on campus, and thus, the education of students, would help inform program managers and policymakers about progress that has been made and opportunities for improvement. Education's tracking system appears to include sufficient information on technology at Hispanic Serving Institutions. Second, although Education has set a goal of improving technology capacity at Minority Serving Institutions, it has not yet developed a baseline against which progress can be measured. If Education is to be successful in measuring progress in this area, it may need to take a more proactive role in modifying existing research efforts to include information on the extent to which technology is available at schools.

Committee hearings such as this, reinforce the importance of effective monitoring and good data collection efforts. As the Congress considers the status of programs that aid Minority Serving Institutions, or examines creating new programs[15] for improving technology capacity at these institutions, it will be important that agencies adequately track how students benefit from expenditures of substantial federal funds. Without improved data collection efforts, programs are at risk of granting funds that may not benefit students.

Accrediting Agencies Have Made Progress in Ensuring the Quality of Distance Education Programs; However, Two Areas May Merit Attention

Accrediting agencies have made progress in ensuring the quality of distance education programs. For example, they have developed supplemental guidelines for evaluating distance education programs and they have placed additional emphasis on evaluating student outcomes. Additionally, the Council on Higher Education Accreditation—an organization that represents accrediting agencies—has issued guidance and several issue papers on evaluating the quality of distance education programs. Furthermore, some accrediting agencies have called attention to the need for greater consistency in their procedures because distance education allows students to enroll in programs from anywhere in the country. While progress has been made, our preliminary work has identified two areas that may potentially merit attention.

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[15]In April 2003, the Senate passed S. 196, Minority Serving Institution Digital and Wireless Technology Opportunity Act of 2003 to strengthen technology infrastructure at Minority Serving Institutions. If enacted, this statute would create a new grant program at the National Science Foundation for funding technology improvements at institutions that serve a high percentage of minority students.

- While accrediting agencies have made progress in reviewing the quality of distance education programs, there is no agreed upon set of standards for holding schools accountable for student outcomes. In terms of progress made, for example, the Council on Higher Education Accreditation has issued guidance on reviewing distance education programs. In addition, some agencies have endorsed supplemental guidelines for distance education and four of the seven agencies have revised their standards to place greater emphasis on student learning outcomes. Not withstanding the progress that has been made, we found that agencies have no agreed upon set of standards for holding institutions accountable for student outcomes. Our preliminary work shows that one strategy for ensuring accountability is to make information on student achievement and attainment available to the public, according to Education. The Council on Higher Education Accreditation and some accrediting agencies are considering ways to do this, such as making program and institutional data available to the public; however, few if any of the agencies we reviewed currently have standards that require institutions to disclose such information to the public.

- The second issue involves variations in agency procedures for reviewing the quality of distance education. For example, agency procedures for reviewing distance education differ from one another in the degree to which agencies require institutions to have measures that allow them to compare their distance learning courses with their campus-based courses. Five agencies require institutions to demonstrate comparability between distance education programs and campus-based programs. For example, one agency requires that "the institution evaluate the educational effectiveness of its distance education programs (including assessments of student learning outcomes, student retention, and student satisfaction) to ensure comparability to campus-based programs." The two other agencies do not explicitly require such comparisons.

Certain Statutory Requirements Limiting Federal Aid to Students Involved in Distance Education May Cause Some Students to Lose Eligibility for Such Aid

Finally, we found that if some statutory requirements—requirements that were designed to prevent fraud and abuse in distance education—remain as they are, increasing numbers of students will lose eligibility for the federal student aid programs. Our preliminary work shows that 9 schools that are participating in Education's Distance Education Demonstration Program[16] collectively represent about 200,000 students whose eligibility for financial aid could be adversely affected without changes to the 50 percent rule—a statutory requirement that limits aid to students who attend institutions that have 50 percent or more of their students or courses involved in distance education. As part of the demonstration program, 7 of the 9 schools received waivers from Education to the 50 percent rule so that their students can continue to receive federal financial aid. We identified 5 additional schools representing another 8,500 students that are subject to, or may be subject to, the rule in the near future if their distance education programs continue to expand. These 5 schools have not received waivers from Education.

While the number of schools currently affected is small in comparison to the over 6,000 postsecondary schools in the country, this is an important issue for more than 200,000 students who attend these schools. In deciding whether to eliminate or modify these rules, the Congress and the Administration will need to ensure that changes to federal student aid statutes and regulations do not increase the chances of fraud, waste, and abuse to federal student financial aid programs.

Mr. Chairman, this concludes my testimony. I will be happy to respond to any questions you or other members of the Subcommittee might have.

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[16]The Congress created the demonstration program in the 1998 amendments to the Higher Education Act to study and test possible solutions to federal student aid issues related to distance education. The program has authority to grant waivers on certain statutory or regulatory requirements related to distance education and the federal student financial aid programs.

Contacts and Acknowledgments

For further information, please contact Cornelia M. Ashby at (202) 512-8403. Individuals making key contributions to this testimony include Jerry Aiken, Neil Asaba, Kelsey Bright, Jill Peterson, and Susan Zimmerman.