

In this chapter, we discuss the applicability of the SFA program requirements to programs offered through distance education.

For some time now, schools have used various alternative non-traditional modes of delivering instruction. *Distance Education* refers to any mode of instruction in which there is a separation, in time or place, between the instructor and student. In this chapter we use the term distance education to refer collectively to these alternative modes including:

Distance Education Cite
34 CFR 600.2

- courses through correspondence (including some courses offered on video cassettes);
- courses offered primarily through the use of television, audio or computer transmission (such as open broadcast, closed circuit, cable, microwave, or satellite transmission), and
- courses offered over the Internet.

Distance education also may include new modes of delivery.

Schools use distance education to respond to students needs for alternatives to the schedules and locations at which courses traditionally have been offered. The availability of new technologies and the Internet have spurred significant growth in the number and types of distance education programs schools offer.

Certain SFA program requirements are organized around the traditional structures of term-based on-campus instruction. These requirements may restrict and may not be easily applied to distance education programs. Questions regarding program Title IV eligibility and student SFA eligibility often arise when schools expand their course offerings by adding distance learning options.

The Higher Education Amendments of 1998, Public Law 105-244 addressed this growing problem by authorizing a Distance Education Demonstration Program (Demonstration Program). You can find information about the Demonstration Program later in this chapter. This chapter also provides information about correspondence courses and telecommunications courses.

DEAR COLLEAGUE LETTER GEN-98-10

Dear Colleague Letter GEN-98-10, published in May 1998, provides information regarding the applicability of the SFA program requirements to distance education programs.

Definitions

What is a correspondence course?

A correspondence course is a home study course provided by an institution under which the institution provides instructional materials, including examinations on the materials, to students who are not physically attending classes at the institution. When a student completes a portion of the instructional materials, the student takes the examinations that relate to that portion of the materials and returns the examinations to the institution for grading.

A home study course provided by an institution during an award year that is delivered in whole or in part through the use of video cassettes or video discs is a correspondence course unless the institution also delivers comparable instruction offered on the cassettes or discs to students physically attending classes at the institution during the same award year.

A course at an institution that may otherwise satisfy the definition of a telecommunications course (see below) is a correspondence course for purposes of Title IV, HEA eligibility, if the sum of telecommunications and other correspondence courses offered by that institution equals or exceeds 50 percent of the total courses offered at that institution.

If a course is part correspondence and part residential training, the course is considered to be a correspondence course.

Schedule of lessons for correspondence study

A school that offers correspondence coursework as a part of its associate, bachelor, or graduate degree programs must establish a course schedule that includes a schedule for submission of individual lessons and provide that schedule to prospective students before they enroll. The course schedule must include

- a due date for each course lesson;
- if available, a description of any options for altering the sequence of lesson submissions;
- the course completion date; and
- the date that resident training must begin, its location, and the time frame for completing the resident training.

What is a telecommunications course?

A telecommunications course is a course offered principally through the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, satellite, audio conferencing, computer conferencing, video cassettes or discs.

The term *telecommunications* does not include a course that is delivered using video cassettes or disc recordings unless the institution also delivers comparable instruction offered on the cassettes or discs to students physically attending classes at the institution during the same award year. If the course offered in the manner described above does not qualify as a telecommunications course it is considered to be a correspondence course.

What is an educational program?

An educational program is a legally authorized postsecondary program of organized instruction or study that leads to an academic, professional, or vocational degree, or certificate, or other recognized educational credential. **However, an institution is not considered to be providing an educational program if the institution does not provide instruction itself** (including a course of independent study), but merely gives credit for one or more of the following: instruction provided by other institutions or schools; examinations provided by agencies or organizations; or other accomplishments such as life experience.

Educational Program Cite
34 CFR 600.2

Institutional eligibility

What is the effect of correspondence courses on institutional eligibility?

In general, a school does not qualify as eligible to participate in the SFA programs if, for the latest complete award year,

- more than 50% of the school's courses were correspondence courses, or
- 50% or more of the school's regular enrolled students were enrolled in correspondence courses.

For purposes of this provision a telecommunications course is considered to be a correspondence course if the sum of individual telecommunications and correspondence courses the school provided during its latest complete award year equaled or exceeded 50% of the total number of courses it provided during that year.

These restrictions do not apply to a school that qualifies 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 under section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act.

Institutional Eligibility Cite
Sec. 481(a)(3)(A) and (B); 34 CFR 600.7

If a correspondence course adds technology such as e-mail, fax, or phone, the school should use the rules for the predominant method, correspondence or telecommunications, through which courses are offered in the program.

Some participating schools contract with providers that are not eligible to participate in the Title IV programs to offer courses through distance education. The participating institutions must ensure that they do not exceed the limitations on contractual arrangements (see chapter 9 – *Agreements Between Schools*).

Calculating the number of correspondence courses.

- A correspondence course may be a complete educational program offered by correspondence, or one course provided by correspondence in an on-campus (residential) educational program;
- A course must be considered as being offered once during an award year regardless of the number of times it is offered during that year; and
- A course that is offered both on campus and by correspondence must be considered two courses for the purpose of determining the total number of courses the school provided during an award year.

Student eligibility

Student Eligibility Cite

Sec. 484(k); 34 CFR 668.38 and 690.2

Are there any limits on a student's eligibility for SFA program funds for attendance in a correspondence course?

A student is eligible to receive SFA program funds for a correspondence course provided the course is part of a program leading to an associate, bachelor's, graduate, or professional degree. This means that no student enrolled in a certificate program or other short term program offered exclusively through correspondence is eligible to receive SFA program funds. A student enrolled in a telecommunications course at an institution of higher education is not considered to be enrolled in a correspondence course if the student is enrolled in a program that leads to a certificate for a program of study of one year or longer.

In order to be eligible for SFA program funds, a student enrolled solely in a program of study by correspondence must be carrying a work load of at least 12 hours of work per week, or must be earning at least 6 credit hours per semester, trimester, or quarter. **Note however, that a student enrolled solely in correspondence study cannot be considered more than a halftime student** no matter how many credits the student is taking.

Cost of Attendance

What costs can be included in a student's cost of attendance?

For a student engaged in a program of study by correspondence, generally the only costs that can be included in the student's cost of attendance are tuition and fees and, if required, books and supplies. Travel and room and board costs can only be included if they are incurred specifically in fulfilling a required period of residential training.

Generally, a student who is studying via telecommunications does not have any restrictions placed on his or her cost of attendance unless the financial aid officer determines (using his or her *professional judgment*) that telecommunications instruction results in a substantially reduced cost of attendance.

The cost of equipment, such as a computer, can be included in the cost of attendance of a student taking courses through telecommunications if such equipment is required of all students in the same program. Waivers are available that allow inclusion of the cost of computers for students enrolled in correspondence courses when those courses are part of the Distance Education Demonstration Program.

Federal Pell Grant Program and Federal Supplemental Educational Opportunity Grant (FSEOG) Program disbursements

Are there any special disbursement rules that apply to students in correspondence courses?

Generally, Federal Pell Grant Program and FSEOG Program disbursements can be made up to 10 days before the first day of classes for a payment period. However, there are special rules for students enrolled in correspondence study programs.

FSEOG Program

A correspondence student must submit his or her first completed lesson before receiving an FSEOG payment.

Pell Grant Program

For a non-term-based correspondence portion of a program of study the school must make

- the first payment to a student for an academic year after the student submits 25% of the lessons, or otherwise completes 25% of the work scheduled for the program or the academic year, whichever occurs last; and

Cost of Attendance Cite
Sec. 472(5) and 472

FSEOG Program Disbursements Cite
34 CFR 676.16(f)

Pell Grant Program Disbursements Cite
34 CFR 690.66

- the second payment after the student submits 75% of the lessons, or otherwise completes 75% of the work scheduled for the program or the academic year, whichever occurs last.

For a term-based correspondence portion of a program of study the school must make the payment to a student for a payment period after the student completes 50% of the lessons or otherwise completes 50% of the work scheduled for the term, whichever occurs last.

Miscellaneous questions and answers

Q. How can you determine if a course is a telecommunications course or a correspondence course when the course is delivered using a video cassette or disc recording?

A. The course would be considered a telecommunications course if the school also delivers instruction, comparable to that offered on the cassette or disc, to students physically attending classes at the school during the same award year.

If the course offered on the cassette or disc is not offered to students physically attending classes at the school during the same award year, it is considered a correspondence course.

Q. Is a student enrolled in a correspondence or telecommunications course eligible to receive SFA program funds for that course?

A. *For correspondence students*

If the student is enrolled in a program leading to an associate, bachelor's, or graduate or professional degree, the student is eligible to receive SFA program funds. If the student is enrolled in a program leading to a certificate, diploma, or similar type of credential, the student is not eligible to receive SFA program funds.

Note: There is no special limit on the eligibility of telecommunication students to receive Title IV, HEA program funds as long as the telecommunication course is considered a telecommunication course and not a correspondence course. However, if the telecommunications course is considered a correspondence course (because the total of telecommunication and correspondence courses equals or exceeds 50 percent of the institution's courses) the above correspondence limitation applies.

Q. May a school choose not to award SFA program assistance to otherwise eligible students who are enrolled in distance education courses or programs?

A. No, a school may not refuse to provide Title IV funds to a student because he or she is enrolled in a distance education program. However, a school may refuse to certify an FFEL application or originate a Direct Loan (or may reduce the amount of the FFEL or

Direct Loan) for a student if the decision is made on a case-by-case basis, and the reason (not merely because the student is a distance education student) is provided to the student in writing and documented in the student's file.

DISTANCE EDUCATION DEMONSTRATION PROGRAM

Purpose of the Demonstration Program

The Distance Education Demonstration Program was created by the Amendments of 1998 to:

- test the quality and viability of expanded distance education programs currently limited under this HEA;
- provide for increased student access to higher education through distance education programs; and
- help determine
 - a. the most effective means of delivering quality education through distance education course offerings,
 - b. specific statutory and regulatory provisions needing modification to provide greater access to distance education programs, and
 - c. the appropriate levels of federal student assistance for students enrolled in distance education programs.

Waivers of SFA program requirements

For schools in the demonstration program the Department is authorized to waive the requirements of:

- section 472(5) related to computer costs;
- sections 481(a) and (b) related to the minimum number of weeks of instruction; as well as
- the Correspondence Course Limitation, the Correspondence Student Limitation, and
- regulations, prescribed under the General Provisions regulation (generally 34 CFR 668), that inhibit the operation of quality distance education programs.

Examples of waivers provided in this area are:

- a. the definition of a full-time student, to the extent a student enrolled solely in correspondence courses is prohibited from being a full-time student; and

Distance Education
Demonstration Program Cite
Sec. 486

Distance Education

An educational process that is characterized by the separation, in time or place, of the student and instructor and includes courses offered principally through the use of various electronic means including television, audio, or computer transmission, such as open broadcast, closed circuit, cable, microwave, or satellite transmission; audio or computer conferencing; video cassettes or discs; or correspondence.

- b. the application of a uniform standard of satisfactory academic progress to all students within categories of students and programs.

The Department is not authorized to waive any of the program eligibility requirements.

For more information on the *Correspondence Course Limitation*, and the *Correspondence Student Limitation*, see chapter 1.

Eligible applicants

The Department selects institutions, systems of institutions, or consortia of institutions to participate in the demonstration program.

A school is eligible to apply to participate in the Demonstration Program if it:

- is located in the United States and participates in the SFA programs;
- provides a two-year program that leads to an associate degree or a four-year program that leads to a baccalaureate degree or higher degree and would be eligible to participate in the SFA programs but for the fact its programs do not meet the Correspondence Course Limitation, or the Correspondence Student Limitation; or
- is Western Governors University.

In addition, systems and consortia of these institutions were eligible to apply to participate in the program.

Applying to participate

Each applicant institution's application must include:

1. a description of the programs and students to whom the programs will be offered;
2. a description of its consultation with its accrediting agency with regard to quality assurances of its distance education program;
3. proposed waivers of statutory and regulatory requirements and the reason the waivers are being sought;
4. a statement of the goals of the institution, system, or consortium with regards to participation in the program and the methods that will be used to evaluate achievement of the goals;

5. an assurance of full cooperation in outside evaluations of the demonstration program; and
6. any other information the Department may require.

Selection of participants

In the first year, the Department selected 15 participants consisting of over 100 institutions. The Department may add up to 35 participants in 2001.

When selecting participants, the Department takes into account:

- the number and quality of applications received;
- the Department's capacity to oversee and monitor each school's participation;
- each school's financial responsibility, administrative capability, and the program(s) being offered through distance education; and
- the diversity of the schools selected with respect to size, mission, and geographic distribution.

Evaluation of the Demonstration Program

The Department must evaluate each demonstration program on an annual basis. This evaluation must address:

- the extent to which a participant has met the goals set forth in its application, including the measures of program quality assurance;
- the number and types of students participating, including the progress of students toward certificates or degrees, and the extent to which participation in the programs increased;
- issues related to student financial assistance for distance education;
- effective technologies for delivering distance education course offerings; and
- impediments caused by statutory and regulatory requirements not waived.

In addition, the Department must review current policies and identify those that present impediments to the development and use of distance education and to other nontraditional methods of expanding access to higher education.

In January 2001, as required in the legislation, the Department provided Congress with its first report on the results of the project. This report is available at

<http://www.ed.gov/offices/OPE/PPI/DistEd>

In addition, the Department is required to provide additional annual reports to Congress regarding the demonstration programs.

Oversight

The Department carries out, on a continuing basis, various oversight activities, including assuring participants' compliance with statutory and regulatory requirements, providing technical assistance, monitoring student participation, and consulting with accrediting agencies and State regulatory authorities.