

**DEPARTMENT OF EDUCATION****Federal Student Financial Assistance Programs—Distance Education Demonstration Program****AGENCY:** Department of Education.**ACTION:** Notice inviting applications for participation in the Distance Education Demonstration Program.

**SUMMARY:** The Secretary of Education invites institutions of higher education (institutions), systems of institutions, and consortia of institutions to submit applications to participate in the Distance Education Demonstration Program authorized under section 486 of Title IV of the Higher Education Act of 1965, as amended (HEA). Under the Distance Education Demonstration Program, selected institutions providing distance education programs may receive waivers of specific statutory and regulatory provisions governing the student financial assistance programs authorized under Title IV of HEA.

*Instructions for Submitting an Application:* Elements to be included in an application are described in this notice. There is no application form for the program. Proposals should be submitted by electronic mail or in hard copy to the addresses below. Applicants are urged to submit applications only by electronic mail, to the e-mail address below. Applications should clearly designate a contact person, and the telephone number and the e-mail and street address of the contact person.

Applications submitted by electronic mail should be submitted in Microsoft Word version 7 or lower or WordPerfect version 7, 8, or 9.

Further information concerning technical assistance may be found at the end of this notice and at the Distance Education Demonstration Program Web site: <http://www.ed.gov/offices/OPE/PPI/DistED/>.

**DATES:** Applications must be postmarked or submitted electronically on or before October 6, 2003.

**ADDRESSES:** *Applications submitted electronically.* Institutions must submit applications by e-mail by 5 p.m. Eastern time on October 6, 2003 to the following address: [DistanceDemo@ed.gov](mailto:DistanceDemo@ed.gov).

*Applications submitted by mail:* Hard copy applications must be sent to Rose Fletcher, U.S. Department of Education, 1990 K Street NW., Room 80, Washington, DC 20006.

An institution must show proof of mailing these documents by October 6, 2003. Proof of mailing consists of one of the following: (1) A legible mail receipt with the date of mailing stamped by the U.S. Postal Service, (2) a legibly dated

U.S. Postal Service postmark, (3) a dated shipping label, invoice, or receipt from a commercial carrier, or (4) any other proof of mailing acceptable to the U.S. Secretary of Education.

If these documents are sent through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing: (1) A private metered postmark, or (2) a mail receipt that is not dated by the U.S. Postal Service. Institutions should note that the U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, an institution should check with its local post office. You are encouraged to use certified or at least first-class mail.

*Applications delivered by hand.* Hand-delivered applications must be taken to Rose Fletcher, U.S. Department of Education, 1990 K Street, NW., Room 8031, Washington, DC 20006.

Applications that are hand-delivered will be accepted between 9 a.m. and 5 p.m. daily (Eastern time), except Saturdays, Sundays, and Federal holidays. Applications must be received by 5 p.m. on October 6, 2003.

**FOR FURTHER INFORMATION CONTACT:**

Carney McCullough or David Bergeron via telephone at (202) 502-7575 or via Internet: [DistanceDemo@ed.gov](mailto:DistanceDemo@ed.gov).

Information concerning the program can also be found on the Distance Education Demonstration Program Web site: <http://www.ed.gov/offices/OPE/PPI/DistED/>.

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

**SUPPLEMENTARY INFORMATION:****Background and Purpose of the Distance Education Demonstration Program**

There has been rapid growth in the number of institutions providing courses and degree programs in various modes of "distance education." For purposes of the Distance Education Demonstration Program and this notice, "distance education" is defined as an educational process that is characterized by the separation, in time or place, between instructor and student. This process may include courses offered principally through the use of 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.

The growth in distance education has occurred in response to increasing demand from students who have little or no options to enroll in more traditional programs, including working adults, parents, people who live in rural communities, and students with disabilities. Another reason for this growth is the potential for cost control. Distance education is also attractive to institutions that are unable to make large investments in new facilities to meet increased student demand. Additionally, through consortia and other agreements among institutions that provide distance education, many students are able to take advantage of a richer selection of course offerings tailored to their individual needs than are available at the institutions where they are enrolled.

Currently, some statutory provisions defining institutional eligibility for the Title IV, HEA programs limit the circumstances in which Title IV, HEA program funds can be provided to students enrolled in distance education. For example, institutions that offer more than 50 percent of their courses via distance education or enroll more than 50 percent of their students in distance education programs (hereafter referred to as "the 50 percent rules") are not eligible to participate in the Title IV, HEA programs.

Other statutory and regulatory provisions are based on the patterns and structure of on-campus education and traditional academic terms. As such, they can be burdensome and difficult to apply to distance education programs. They may also limit institutions from structuring programs that may best meet the needs of distance education students, institutions, and systems and consortia of such institutions.

Enacted in 1998, as described in section 486(a) of the HEA, the purpose of the Distance Education Demonstration Program is to—

(1) Allow demonstration programs that are strictly monitored by the Department of Education (Department) to test the quality and viability of expanded distance education programs currently restricted under HEA;

(2) Provide for increased student access to higher education through distance education programs; and

(3) Help determine the—

(A) Most effective means of delivering quality education via distance education course offerings;

(B) Specific statutory and regulatory requirements which should be altered to