

• *Section 102(a)(3)(A)*. This section makes an otherwise eligible institution ineligible if more than 50 percent of its courses are offered by correspondence and telecommunication.

• *Section 102(a)(3)(B)*. This section makes an otherwise eligible institution ineligible if 50 percent or more of its students are enrolled in correspondence or telecommunications courses.

• *Section 484(l)(1)*. This section defines a telecommunications student at an institution as a correspondence student if (1) the student is enrolled in certificate programs of less than one year; (2) the institution provides more certificate than degree programs; or (3) 50 percent or more of the institution's courses are offered by correspondence and telecommunications.

Regulatory Provisions

In addition to the aforementioned statutory provisions, the Secretary may waive the regulatory provisions implementing part G of HEA that inhibit the operation of quality distance education programs. Part G consists of sections 481 through 493B of HEA. These sections contain numerous provisions dealing with the Title IV, HEA programs including those that limit the amount of aid that can be provided for correspondence courses and programs. In general, the regulations implementing these provisions are contained in 34 CFR part 668.

(Under the Distance Education Demonstration Program, the Secretary is authorized to waive any regulations governing part F of Title IV, which deals with need analysis and costs of attendance. However, the Secretary is not authorized to issue regulations implementing part F; therefore, there are no regulations to waive.)

Application Proposal Requirements

Each application proposal to participate in this program shall include—

1. The name, address, and Web site address, if any, of the institution, system, or members of the consortium seeking to participate, and the name, title, mailing and e-mail addresses, and telephone number of a contact person for the institution, system, or consortium;

2. A description of the distance education programs offered or to be offered for which the institution is seeking a waiver or waivers. An institution may request a waiver or waivers for one, several, or all of its distance education courses or programs. The description should include the types of programs, degrees or certificates

offered, program goals, and the methods used or proposed to be used to deliver distance education;

3. A description of the applicant's consultation with a recognized accrediting agency or agencies with respect to quality assurances for the distance education programs to be offered;

4. A description of the types of students that the distance education programs are intended to serve, (e.g., adult learners, rural populations, individuals with disabilities);

5. The Title IV, HEA programs under which distance education students will receive funds;

6. The specific statutory and regulatory provisions to be waived, the scope of each waiver, and the reason for each waiver. The applicant should propose an alternative to the provision or explain why no alternative is necessary;

7. An assurance that the institution, system, or a consortium will fully cooperate with the Department's ongoing evaluations of the program; and

8. A statement of the goals of the institution, system, or consortium for participation along with the method the institution will use to evaluate achievement of the goals.

In addition to the information described above, systems and consortia must provide the following additional information—

1. A description of the system or consortium and the relationship among the members of the system or consortium, a copy of any agreement governing the relationship of institutions that are members of the system or consortium, and a list of the institutions which are members;

2. A description of the manner in which the distance education programs are or will be conducted among the system and consortium members particularly as that manner is related to the waiver request; and

3. The manner in which Title IV, HEA program funds will be administered for the students in the distance education programs. (This would include such matters as the disbursement procedures that would be followed, the definition of an academic year that would be used, how attendance would be monitored, and the satisfactory academic progress rules that would be followed.)

Selection of Participants

In selecting applicants to participate in the Distance Education Demonstration Program, the Secretary will take into account the—

1. Number and quality of applications received;

2. Department's capacity to oversee and monitor the applicant's participation;

3. Applicant's financial responsibility, administrative capability, and the program or programs being offered via distance education; and

4. Necessity of including different types of participating institutions vis-à-vis size, mission, and geographic distribution, with an emphasis on institutions that provide education exclusively through on-line instruction.

As part of the selection process, the Department will screen the applications to ensure that applicants are eligible. Then, outside reviewers will recommend the best applications given the statutory criteria. The Secretary will make final selections, based on the recommendations of the outside reviewers and the criteria listed in HEA.

Evaluations

The HEA requires the Secretary to submit reports to Congress evaluating the Distance Education Demonstration Program annually and eighteen months after the initiation of the program. As specified in HEA, the evaluations are to include the following:

1. The extent to which the institution, system or consortium has met the goals set forth in its application to the Secretary, including the measures of program quality assurance.

2. The number and types of students participating in the programs offered, including the progress of participating students toward recognized certificates or degrees and the extent to which participation in such programs increased.

3. Issues related to student financial assistance for distance education.

4. Effective technologies for delivering distance education course offerings.

5. The extent to which statutory or regulatory requirements not waived under the Distance Education Demonstration Program present difficulties for students or institutions.

To assist the Secretary in conducting such evaluations, participants in the Distance Education Demonstration Program will be required to provide information to the Secretary, such as: Course level detail regarding their offerings, the degrees or certificates awarded for successful completion, data on persistence and completion, data regarding student demographics, information regarding tuition and fees charged by the participant, program design and use of technology, information regarding the educational environment and student support, and student satisfaction surveys.