

**SIXTH ANNUAL PRESIDENTS' FORUM
OF EXCELSIOR COLLEGE**

The Presidents Forum met on October 13, 2009, in the Hall of Flags of the U.S. Chamber of Commerce, 1615 H Street, NW, Washington, DC. The subject was an exploration of policy and regulatory reforms necessary to expand the availability of accessible and affordable higher learning throughout the United States.

The participants were:

Mary Adams, American Sentinel University
James Applegate, Lumina Foundation for Education
Julie Bell, National Conference of State Legislatures
Jennifer Blum, Drinker Biddle & Reath, LLP
Rebecca Campoverde, Kaplan, Inc.
Bruce Chaloux, Southern Regional Education Board
Alan Contreras, Oregon Office of Degree Authorization
John Carreon, Kaplan Higher Education
Dennis Charter, Eschool News
Dennis Cheek, Kauffman Foundation
Steven Crow, Higher Learning Commission
Edward Dadez, Saint Leo University
David Dies, National Association of State Administrators and Supervisors for Private Schools
Kathryn Dodge, New Hampshire Postsecondary Education Commission
Zanette Douglas, Arkansas Department of Education
Mary Ellen Duncan, Synergies Consulting Group
Judith Eaton, Council for Higher Education Accreditation
John Ebersole, Excelsior College
Scott Eckart, U.S. Chamber of Commerce
Thomas Gibson, Northwestern University
Michael Goldstein, Dow Lohnes, PLLC
Arthur Gregg, Excelsior College
James Hall, Presidents' Forum
Bryanne Hamill, New York State Court
Terry Hartle, American Council on Education
Helena Heath Roland, New York State Court
Darcy Hardy, University of Texas System TeleCampus
Christine Helsel, American Public University System
Richard Hezel, Hezel Associates
Bud Hodgkinson, Hodgkinson Associates, Ltd.
Michael Horowitz, The Chicago School of Professional psychology
Lane Huber, Bismarck State College
Jerry Ice, Graduate School, USDA
Jonathan Kaplan, Walden University
Russell Kitchener, DePauw University

Ed Klonoski, Charter Oak College
Cathy Kushner, Excelsior College
John LaNear, Grantham University
Charles Lenth, SHEEO
James Lis, U.S. Coast Guard Headquarters, Training and Education Policy
Bernard Luskin, Touro University Worldwide
Mary Maida, Clerisy Corp.
Frank Mayadas, Alfred P. Sloan Foundation
Jane McAuliffe, Ashford University
Frank McCluskey, American Public University System
Jerry Neff, M & I Bank
Jane Oates, U.S. Department of Labor
Patricia O'Brien, New England Association of Schools and Colleges
Dana Offerman, Excelsior College
Michael Offerman, Capella University
Linda Perlstein, Education Writers Association
John Pontius, Excelsior College
Russell Poulin, Western Cooperative for Educational Telecommunications
Timothy Rainey, Morgan State University
Maggie Randol, Office of Governor Jennifer Granholm
Jeff Reed, American Legislative Exchange Council
Peter Rubba, Penn State University World Campus
John Sabatini, Walden University
Susan Saxton, Walden University
William Simmons, Dutko Group Companies
Karry Skogen, Bismarck State College
Paul Shiffman, Excelsior College
Kathryn Snead, Servicemembers Opportunity Colleges
Jennifer Stephens, American Public University System
William Stewart, Excelsior College
Peter Stokes, Eduventures
Roger Sublett, Union Institute and University
Pamela Tate, Council for Adult & Experiential Learning
Melissa Thompson, American Public University System
Linda Thor, Rio Salado College
Greg Titus, CourseAdvisor Inc.
Christopher Washington, Franklin University
Liz Willen, Teachers College, Columbia University
Robert Williams, Chief of Police, Oswego
Jeannine Yockey-Fine, Florida Department of Education
Katherine Zatz, American Public University System
Maggie Zweiben, Eduventures

WELCOME

Paul Shiffman, Program Director for the Presidents' Forum, welcomed the participants and explained that "The Presidents' Forum is a collaborative of over 150 institutions offering distance higher education, associations, and stakeholder policy bodies that cover all sectors of not-for-profit and for-profit higher learning." Its intent is "to provide a venue for formulating strategies that drive innovation and best practices in online and distance learning."

After describing the two groundbreaking projects in which the Forum is already involved—*Access to Learning 2006*, which introduces public policy leaders to the methods, advantages and quality of online learning, and *Transparency by Design 2008*, which is creating a common, timely, and shareable data-reporting process to track learning outcomes and institutional performance against a variety of metrics—he thanked the Lumina Foundation for Education for supporting this meeting of the forum "to launch our next initiative: *Aligning State Approval and Regional Accreditation for Online Postsecondary Institutions: A National Strategy*." He also thanked the Institute for a Competitive Workforce of the U.S. Chamber of Commerce, for hosting the meeting, and EduVentures, for hosting the closing reception. He then introduced keynote speaker James L. Applegate, Senior Vice President for Program Development, Lumina Foundation for Education.

KEYNOTE ADDRESS

Dr. Applegate spoke on "Maintaining Our Nation's Competitive Advantage: Lumina Foundation's Goals for Education." The foundation is "open to new ideas of delivering higher education." He noted that "in most sectors information technology lowers costs; in higher education, it can raise them." For instance, Kentucky Virtual University first simply took traditional courses online but instead of attracting new students it filled up quickly with campus students, so they had to rethink how to present the courses.

In July Lumina set out a strategic vision, Goal 2025, which is directed to reaching populations not yet reached. The intent is to increase the average number of Americans who hold higher education degrees from 40% now (about 23 million) to 60%. The foundation is currently analyzing the situation by city and state. Increasing retention will be a necessary factor.

The foundation sees a catalytic role for itself in identifying and supporting effective practices, advocating for them publicly, and using its communications ability to build "a public will for change." However, Dr. Applegate sees a warning in the fact that "we know what to do [for retention] in high schools, but we don't do it." Although the foundation has supported good model programs, they then get put on the shelf.

Policies rein in practices. For instance, funding for K-12 and higher education does not incentivize completion. "We need a policy lever to scale up practice," he said. But even where policy is appropriate, the strategies are inadequate. One problem, Dr. Applegate said, was that "We've been winning on convincing the public that higher education is necessary to

success,” but there is “supply-side suppression.” The split between the haves and the have nots has been widening even as global competition heightens. Research has proven that certain goals must be met to sustain the economy. By 2018, 73 million jobs will require at least an associate’s degree. The job demand is sufficient job but there is a shortage of associate degree students.

Moreover, in previous recessions, 70% of the unemployed went back to the same job. This time, that is expected to be true for only 20%. That is another reason why higher education has to link up with its suppliers, the high schools, to prepare students academically, financially, and socially for success in post-high-school education.

What this means is that “we can’t get there without adult learners completing.” And higher education has to become more productive to serve more students, which implies using dollars more effectively. Student learning outcomes need to be defined, measured, and aligned with workforce needs. *Transparency by Design* is a good example of how that can be done. Lumina believes education is about both civic responsibility and employability. The implications are that it is necessary to (1) redefine what constitutes institutional quality; (2) commit to measuring student learning; (3) accelerate progress; and (4) reimagine developmental education—many come unprepared. It will be necessary to change the policies and see developmental education as an opportunity, not a stigma.

Among the challenges will be avoiding turf issues, for instance by moving from the classic stand-alone situation to networks and blended locations. The timing is right: there is national momentum with the American Graduation Initiative, etc., and an unprecedented amount of discretionary funds. “This is a crisis we cannot afford to waste,” Dr. Applegate said.

The question is how to get the nation’s attention now. Higher education has been transformative before, as after World War II. Today, Dr. Applegate is amazed at “how many states don’t look at the data and realize how many adult learners are needed.” At the moment it is veterans who are driving rethinking about adult learners.

Lumina’s grants strategy is becoming more mission- rather than outcomes-based, and it will be working with other foundation. There will probably be fewer large grants: “We want things that are scalable.”

Frank Mayadas: The 60% goal is great, but I have not seen a thorough analysis of the population you want to reach. Where is the oil?

Dr. Applegate: For example, if you break out the numbers of adults who don’t finish by state and city, in Indianapolis, it’s about 6,000 out of 38,000. If they finished, it would be the economic equivalent of getting another Lilly Corp. there.

In response to a question from the floor about how Lumina came up with the 60% goal, he said, “We did a lot of data analysis. ... Opportunities are structured for succeeders, but we

need to provide for all.” He explained that at the moment, students from the lowest-income groups who test in the top quartile of the SAT have less chance to get into a college than rich students who are in the bottom SAT quartile. “Costs, quality, access balance—it’s not a zero sum game. It is possible to increase access for some without decreasing it for others.”

GOALS OF THIS MEETING

Noting that “we’re on the cusp of really dramatic changes,” **Dr. James Hall** explained that the previous Forum had looked at roadblocks to success, and had asked that a task force look at accreditation and the state approval process. The task force reported that current processes “were found to be redundant, inefficient, and costly for both the states and the institutions seeking approval.” This Sixth Presidents’ Forum is therefore addressing such questions as What do states need to know to establish credibility for reciprocal agreements? Are agreements regarding common expectations possible? Precisely what factors establish *institutional presence* and trigger state registration requirements? How can state regulators enforce requirements beyond the state’s boundaries? Is it possible to build upon some of the collaborative processes currently employed by regional accrediting bodies to achieve reciprocity? The questions are to be addressed in a series of panels.

PANEL: “STATE RECIPROCITY: THE REGULATION, RECOGNITION, AND CREDIBILITY CONUNDRUM”

Moderator **Steven Crow** commented that this meeting is part of a long series of discussions going back to 1978, but currently there seems to be a particularly bad fit between higher education and the regulatory situation. There is such a wide variety of approaches now that there seem to be problems of getting consistency, “even if we do reach a shared vision,” and there will be considerable work involved with bringing others on board.

Alan Contreras led off the discussion. He said that last year Oregon saw the highest enrollment in the state system ever. This year it had to cut back. There has been a 20% increase in requests to his agency, the Oregon Student Assistance Commission, and there has been a 20% cutback in grant funding: “We’re not even meeting the basic demand.” He chose to set the context by discussing the legal basis for degree-granting authority in the United States. Except for a very small number of colleges established by the federal government, the authority to issue degrees comes from state governments, which means that a state is legally responsible for the degrees issued under its jurisdiction. The question then becomes which state has responsibility for degrees issued by a college outside the state where the college is chartered or licensed. Is it the home or the host state? (A third possibility is that the federal government would have responsibility for quality oversight and problem-solving, but that is probably not realistic.) Which state is responsible for dealing with student complaints, administrative misbehavior, or unqualified faculty? Many states are content to leave oversight of program quality to accreditors. The question then becomes what is their proper

interstate role? They were never intended to be enforcement or problem-solving agencies. Oregon has recently decided that if a school is regionally accredited and nonprofit, it can offer degrees in Oregon without separate approvals. (There have been fewer complaints about nonprofit than about for-profit schools.)

Jeanie Yockey-Fine explained how the Florida Commission for Independent Education operates: It licenses all schools, online or site-based, operating in the state. “Operating” is the operative word: it includes advertising, facilitating, and call centers. It is possible to get agent licenses. About 900 institutions are licensed. The biggest time-saver is LBMA—licensed by means of accreditation. There are about 300 of these. As long as it is accredited by a substantially similar agency, an institution can get new programs approved hassle-free. They must meet fair consumer rules and have no unresolved complaints. The Florida agency may not require different reports than the accreditor does. Her agency, however, still does oversight.

Judith Eaton offered a national perspective. As she had read the Forum reports, she thought about what problems they were trying to resolve. Is it duplication? Fragmentation? What are the unintended consequence of state versus regional-based? The solutions would appear to be alignment, reciprocity, and perhaps some national standards. Not addressed have been federal initiatives that are driving higher education, as well as issues of institutional autonomy, academic freedom. “The desirability of moving in that direction needs discussion,” she said, adding that

1. The federal role and how it impacts solutions needs more attention, because it is taking a more and more significant role in academic as well as financial matters, such as rulemaking on accreditation, the American Graduation Initiative, and funding for community colleges.
2. The for-profit sector and accreditors should be brought in more fully. “We’re denying ourselves the benefit of their experience.”
3. We should consider whether what’s happening with K-12 common core standards offers anything useful for higher education.
4. In moving forward, it is necessary to keep in mind the value of, e.g., mission-based institutions, and institutional independence.
5. What should be the point of departure? States, regional educators? What about the SREM model?
6. Degree mills are a problem. Can we separate out the issue? Are quality issues the same? Getting rid of them would be good.

In summary, she said, “The task force report does help bring order to a difficult situation.”

David Decker asked about interaction between state and regional agencies when there was no review by the Higher Learning Commission. Steven Crow replied that responsibility for oversight rests with the accreditor.

Alan Contreras explained that in Oregon, if a public institution wants to start a new program, private providers can challenge it as duplicative and a waste of government money.

Judith Eaton asked whether all regional accreditors have reciprocity. **Patricia O'Brien** said that there is an agreement in effect in which the home accreditor is invited to participate. The New England Association is discussing transfer of accreditation. Steven Crow commented that regional agreements tend to be based on sites: "There's been no real discussion of e-learning."

Joe Porter [??] spoke of the problem of dealing with professional licensing entities in each state plus the Higher Education Commission. Alan Contreras said the situation differs state by state. His organization works well with the boards for teachers, nurses, and psychologists, for instance, but has no relationship with the board for licensing veterinarians. Jeanie Yockey-Fine has been working with a liaison committee with the state legislature to get one board to move faster. A new law now requires action within 90 days, down from two years. Steven Crow noted that the Presidents' Forum Report "doesn't speak to legislatures," and suggested it might be time to think about model laws.

From the floor John Ebersole said that when he had worked at institutions like Berkeley, they were never challenged, but the situation was different with Excelsior. As an example of selective enforcement, he noted that "Harvard recruits in Florida."

Alan Contreras noted that standards are set by different groups. In Oregon some institutions must meet Higher Education Commission standards, some must meet those of his entity. "Who is doing the enforcing?" is the question, he said. "We need the equivalent of a model code." He said there had been something of a revolution when public institutions went abroad.

PANEL: "RESPONSE AND COMMENT: THE NATIONAL INSTITUTION PERSPECTIVE"

Moderator **Roger Sublett** noted the tension between the competing demands of state regulation, consumer protection, and accreditation. He asked the panel, "What are the current realities? What does work? What might work? How can we move forward together?"

Michael Goldstein said, "This is a new issue only if measured in geologic time." More than 25 years ago he was involved in a discussion of institutions operating across state borders via television. The group issued a statement of principles, such as that it is not rational to limit delivery of higher education in every state where an institution "touched down." Regulators and accreditors were asked to come up with something that would give full faith and credit to the home state's decision. "This has been studied every two or three years; every time the

situation got worse,” he said. The Presidents’ Forum Report is very similar to the one issued in 1982. “The issue is the inability to find a common basis for a generalized structure.” In 1982, “we predicted logic and efficiency would prevail. We were wrong.”

He sees two emerging issues: (1) Can a state regulate? And (2) can the student practice the work for which he or she has trained in that state? For instance, can a student with a law degree from an ABA-accredited online school practice in the state?

Bernard Luskin noted that the fact that the whole world is based on power, control, and fees makes the issue more complicated. Commenting on Lumina’s 60% graduation goal, he said that in Los Angeles, only 50% of students eligible for high school do go, and only half of those graduate. That makes Lumina’s goal “something of a stretch.” He also pointed out that “You can be statistically correct but actually wrong.” For instance, in terms of complaints about completion rates in community colleges, some community college students do not bother to get completion certification because they simply move on to 4-year colleges.

He also questioned why there should be different accreditation formats for e-learning than for bricks-and-mortar or mixed programs. Moreover, the report said nothing about international programs, where there are inconsistencies among institutions: “This is not a service to the student.”

Russell Kitchner spoke of a “deep and abiding” appreciation of the challenges before state boards who try to follow the spirit of the law when the laws are not current on technology and learning theory. He identified several problems:

1. Inconsistency in application of statutes—selective enforcement results when there is ambiguity about state policies and their application.
2. Some functionaries decide to interpret the laws in terms of their own opinion: “This is not good for the industry or the agency and does not encourage cooperation.”
3. The demarcation between profit and nonprofit should be based on “innocent until proven guilty.” The Oregon distinction overlooks an opportunity to think about this more deeply. If two institutions are both regionally accredited, why distinguish between them?
4. To move forward will require respect and “a deep and abiding growth in how we view each other.” To earn respect, it will be necessary “to dissociate ourselves from institutions that lack integrity.”
5. It is necessary to balance requests for reciprocity with respect for the integrity of the state’s interests.

He also warned, “We are perilously close to finding ourselves at war and addressing this in a civil action if we can’t address it in a civil way.”

Mr. Goldstein noted that in 1983 TV courses were primarily being offered by community colleges and state institutions. There were relatively few students enrolled in any one place. The fact that there are now so many more e-learning students “creates a fear factor.” Describing some recent experiences, he commented, “We don’t need free rein, we need rationality, consistency.”

Dr. Kitchener commented that some programs with a clinical component, such as teaching, “trigger physical presence,” but “physical presence” and “operate” need to be defined. Dr. Luskin thought that “things are continually improving,” but many regulators are still “regulating an experience they haven’t had” and drawing misguided conclusions. “Time will help,” he added

Dr. Sublett asked the panelists whether there is one thing that higher education can do to move things forward. Dr. Luskin said, “Be very sensitive about singling out non-classroom-based learning for special treatment.” But Mr. Goldstein warned, “Be careful about saying they’re the same.” He added that the recent Department of Education report found hybrid education was better than either alone. He also expressed concern about regulators seeing themselves as “preventers.” The difficulty is to find a system that protects as needed but does not prevent where prevention is not necessary. “And we’ve left out the legislators for 25 years,” he added.

From the floor **Dennis Cheek** commented on a trend in the corporate community: six global technology companies are talking about certification standards and enhancing their corporate universities to provide certification. Meanwhile, within his own family, four have earned or are earning graduate degrees from institutions abroad, and none is regulated in the United States. He wondered about the implications of these observations.

Michael Goldstein said he is working with a large global company to set up an internal accredited degree-granting program. And currently the U.S. has no mechanisms to deal with foreign programs, but he sees “a distinct possibility” that international trade in higher education will come within the next round of trade negotiations, so treaty rules would apply.

Bernard Luskin noted that the Presidents’ Forum started because distance learning had no place at the table, but in the last six years, its growth and quality have been accelerating, both domestically and internationally. Dr. Kitchener suggested that the dimension of accreditation impact implies oversight. Those in the higher education community need to decide how they want to deal with accreditation. “The regionals are ambiguous about how equal they are”; for instance, AB48 [in California??] exempts only institutions accredited by the western group.

LUNCHEON ADDRESS: “ENHANCING ACCESS TO LEARNING FOR WORKING ADULT STUDENTS: MAINTAINING THE NATION’S 21ST CENTURY WORKFORCE”

Jane Oates, Assistant Secretary for Employment and Training Administration, Department of Labor, noted first that the department operates primarily with formula grants, though it has some discretionary funds.

Today, many people who never thought they'd be dislocated are coming to the department's one-stops. Even health care is suffering, since only lower-wage positions are open.

Both parties see online learning as a promise that is starting to achieve its glory. However, for Labor Department support, education and training have to lead to initial and sustained employment. "For us," she said, "quality means you take people in who can master the courses, get credentials, and get a job." She identified a number of challenges for distance learning:

1. Each state has its own list of eligible providers, usually bricks-and-mortar, which is difficult to change. The fact that governors have to ensure that providers are linked to job sources is a problem for national providers.
2. The department is job-oriented, with a focus on placement. In general, higher education never thought about this before, although online did so from the beginning.
3. It is necessary to deal with the diploma-mill perception problem and to convince legislators that all schools are not the same.
4. "Where can you get quality education without computers?" she asked, noting that food will take priority over access.

The department is working on how to make one-stops more efficient. Community colleges are full "and don't want to give access to someone else's students." Libraries are cutting hours. Secretary Oates invited those present to "discuss with me how to make sure there is a real opportunity for those who need it. What can agencies do? More flexible programs offer access 24/7".

Kathryn Kushner commented on difficulties in responding to Department of Labor initiatives. Many specify community colleges; Excelsior does offer an associate degree but is not technically a community college: "Make us part of the solution." The Secretary responded that much of what the department does is "legislatively driven—regulators can't change it."

Ed Klonoski said that in Connecticut one-stops allow the use of their computers for other things than job-seeking. It would be good if the department could speak to the value of degree completion as job training. Secretary Oates commented that most one-stops are only

open 9 to 5. Dr. Klonoski noted that “We usually have wireless networks.” It would be possible to provide access securely without opening up the buildings.

Russell Kitchener asked how the department defines academic success. Secretary Oates explained that when the department gives money, one concern is “Did you just take in anyone or did you assess the likelihood of success?” For instance, one program accepted people with a felony conviction in an interstate trucking program—convicted felons cannot get a commercial license. “The Department of Labor has to be about jobs,” she summed up.

Asked about reauthorization of the Workplace Investment Act and about what is happening with job creation, Secretary Oates pointed out that the Department of Commerce, not Labor, is the job creation agency, although “We talk to states a little bit about on-the-job training as layoff aversion.” However, it would be a stretch to call on-the-job, customized, and incumbent worker training job creation.

She noted that some states are putting people receiving unemployment in subsidized employment for eight weeks. For some individuals, especially those who never thought they’d be unemployed, “this recession has been tough.” And taking into account those who have never had a full-time job, it’s estimated that the unemployment rate for those 18 to 24 “could be as high as 50%.”

PRESIDENTS’ FORUM AWARD

John Ebersole invited **Frank Mayadas** to join him near the dais. Referring to Dr. Mayadas as “the father of online learning in America,” Dr. Ebersole reminded the group that the Sloan Foundation has created online learning capabilities throughout the United States. Saying “You all know how much the whole asynchronous online community owes to him,” Dr. Ebersole presented Dr. Mayadas with the first Presidents’ Forum award, to much applause.

Dr. Mayadas thanked him, saying, “I appreciate this especially because it comes from folks who really know the business and who have done so much good for so many people.”

Dr. Ebersole then explained that Dr. Mayadas is retiring for the second time and would step down from Sloan at the end of the calendar year, but “the Sloan C consortium is entrusted to the very good hands of Bruce Chaloux.”

PANEL: “VISIONING A REGULATORY SYSTEM FOR THE FUTURE: PRESIDENTS’ FORUM STRATEGIES AND ACTIONS TO PROMOTE MODELS FOR REFORM”

Moderator **James Hall** introduced the panel and invited their “view from the field.”

Bruce Chaloux stated that ECS prepared model legislation on regulation in the mid-70s, led by Ken Ashworth of Texas. When Dr. Chaloux was a regulator, Virginia set 22 standards that were the lowest common denominator: they could not be higher for new than for existing institutions. He suggested using the analogy of a driver's license, which is good for interstate travel and the system works well. The onus is on the home state to regulate, but the license is recognized abroad as well as interstate. It is a precedent.

The Southern Regional Education Board (SREB) functions like a free trade union. To get started, it went to SHEEO officers for help in setting up its own best practices. In 12 years and operating in 16 states, there was only one complaint from an institution. (The European Union has also dropped all kinds of barriers.) Regional accreditation is the entry point. "It has worked well." He would like to see a national footprint for online activities, and a national catalog.

Asked by Dr. Hall about the scale of operations, Dr. Chaloux said it began with 15 institutions. There was some concern at first about what they would do if it got to 1,000 courses—now there are more than 30,000.

Darcy Hardy works with 15 University of Texas campuses; 70% of the enrollment is in Texas. Courses have been offered online since 1999. "States are trying to fence a cloud," she said. "The Forum Task Force is pushing for what will inevitably happen." She said that in Texas there are 35 million adults with some college work. "As for degree completion, we can't do it alone—the pool is big enough for us all to play." She predicted that the turf issue will go away because "the students will force it." She suggested beginning with the low-hanging fruit—states that will want to play. The University of Texas is not an online institution but is active with the Presidents' Forum "because it's about access, doing the driving, not sitting down and letting it happen."

Linda Thor was sorry there were not more community colleges present. Rio Salado College was founded in 1978, and now 60% of its enrollment is online. "We don't advertise but students are finding us." She considers SREB to be the best model—"We need to bring SREB to a larger scale." Many of her students are studying to be nurses and teachers. The Arizona Board of Education was convinced to accept teacher preparation from anywhere that is accredited. NASDEC came together and has produced an eight-page agreement on teacher education reciprocity. Also, the Nurse Licensure Compact allows any nurse with an active license to teach anywhere in 23 states. Complaints are registered in the original state of licensure, which informs the current state of residence. But she reminded the audience that "we also need to be talking about the root causes of student complaints and the state need to ensure quality. We haven't educated students on accreditation."

Alan Contreras had questions about the portability of state licenses. For instance, Hawaii has low standards for licensing institutions; they only need 15 students and 1 employee. "Where should the floor be?" he asked. Dr. Hall commented that "The question is how do we

get to the answer. *Transparency by Design* is working on it.” Dr. Chaloux suggested that “Maybe not all states will play. Eventually I’d move this to a national standard.” Dr. Hardy thought “Some states might use this as a threshold to pull themselves in.”

A commentator from the floor thought free trade was “a salable concept,” but asked, “What do other associations do?” Dr. Chaloux thought “CRAC is critical.” It was suggested from the floor that this model be promoted to regulators.

Charles Lenth said he found the panel’s optimism encouraging but saw a need for a common source of information on national providers, “a clearing house with standardized information”; and a need for stronger self-regulation—“Can this be brought into the mix?” Dr. Thor asked about the likelihood that his organization, SHEEO, would help. “That’s why I’m here,” he said, “but there’s a resource issues, and there are different groups, associations, and so on.”

Dr. Chaloux pointed out that national cooperation was possible. After the hurricanes an online university was launched in three weeks, and within two weeks 38 states had put 1,350 courses up. He wondered about the structure for a common source of information. He added that “States have to show they’re making sure institutions are actually self-regulating.”

Dr. Hardy noted that “It’s not just a matter of resources—it’s endorsement (cheerleading).”

Commenting that the discussion had been “very helpful,” Dr. Hall said that “Besides acceptance and publicizing, we need you and your institutions to participate; we need help or advice on structuring this—also suggestions of other interested people who are connected to move on this.”

PANEL: “VISIONING NEW CHALLENGES FOR ONLINE LEARNING: FUTURE ISSUES FOR THE PRESIDENTS’ FORUM”

Moderator **John Ebersole** said the purpose of the entire meeting, but particularly the panel, was to “help us shape where we go from today.” He reminded the group that when the Forum came together in 2003 it had three goals: increase awareness among policymakers; identify outcomes being produced by our institutions (for which *Transparency by Design* was born); and deal with the cross-border regulatory issue. “We are starting to get a sense of direction and get some sense of where we want to go at least as a demonstration project and a next step,” he said. To get the discussion rolling, he asked, “Should advocacy become part of what we’re about?”

Jennifer Blum was troubled by the lack of a single clear voice of online education. The premier argument, she thought, has been that online provides access, but there is a need to emphasize its quality generally to change perception. That is why it is important to “talk

collectively,” particularly about who should *not* be in the room—diploma mills. In one sense it may be good that there are lots of voices, but there needs to be a single message to prevent confusion. “Online has a huge disadvantage,” she pointed out. “It’s not constituency-based. You can’t go to *your* representative on the Hill.” Because the student population is so diverse, “it’s hard to collect the student voice and have that be effective.” She reiterated the need to talk more about quality and less about regulation and accreditation.

Dr. Ebersole asked her why the cost-of-living allowance is excluded when veterans study online. Ms. Blum said there is work in progress on resolving the problem and it is “finally resonating with Congress,” but that it would be “ripe for collective advocacy.” She thought it likely that the problem would be corrected next year; veterans groups are working on it. However, there are “lots of little problems” with the post-9/11 GI bill.

Peter Stokes said he was “quite amazed” that a voluntary organization like the Presidents’ Forum has accomplished so much that professional associations had not. Moving ahead now, he thought, has to do with removing obstacles to the scale and success of online. To get 25 million new degrees in 15 years, it will be necessary to vastly increase access so as to double the number of degrees, and “if there’s an economic imperative, we need to refine the details.” Online can help scale access, he said, but structural issues make scaling up very difficult, and there are “the cultural, disinformation, issues.” He recommended a focus on the employability of those who earn credentials online. Employers by and large are very sanguine about online, but among students and especially faculty in higher education there is considerable confusion about the value of online credentials. The Department of Education meta-study of 50 studies found that online outcomes were better than classroom outcomes, and hybrid was better than both, but there is also a NASALGIC study that found that though faculty recommend online courses, 70% think they are inferior. “There an opportunity for the Forum to look at employability and educate folks about what online is accomplishing.”

Dr. Ebersole stated that at a recent Department of Defense meeting on education, a quality issue was identified: all online courses are not created or viewed as equal. Some that are just correspondence courses are held up as examples of how poor online is. The department is concerned about spending more and more tuition assistance without getting completion and student success from online programs, so it is questioning what it is buying. It is concerned about the quality of student support as well as content. Defense is going to issue regulations and conduct visits as a condition for approval for tuition assistance payments.

He then asked Scott **Eckart**, “Should we go international? Will we see the same kind of barriers as between states?” Mr. Eckart thought that the focus of the current administration on the international agenda is an excellent opportunity to think about the international landscape for online education. “We’ve been exporting education for years and should continue. Online is cheaper and more effective. But no one’s talking from a public policy or

legislative perspective; no one's thinking of online education as trade in services. . . . This is a perfect role for the Presidents' Forum."

Dr. Ebersole pointed out that "half the world's population is under the age of 20, and there are not enough traditional institutions to serve them even by a fraction." Technology can help promote stability, he said, when the preferred way to communicate is personal computer. In this area, the U.S. Chamber of Commerce "has been a willing partner" of the Forum. It has been working on employment and training issues and will help with advocacy.

Ms. Blum reiterated that "you have to marry quality with policy." Employers are quite receptive, but online institutions need to talk with policymakers about quantitative matters. Forum members, she said, "need to feel bold about supporting Sec Duncan when he talks about completion rates and employability" and make it clear that the Workplace Investment Act is out of date. WIA is about entry-level jobs; online is about lifelong learning. How could WIA be rewritten to allow for more opportunities for online institutions and their students?

Mr. Stokes thought there were two reasons to be thinking about international educational activity. "There is a lot to be gained by exporting American know-how to stimulate learning around the world, and there are learning benefits for foreign students." He suggested they might come to the US for two years to study onsite, then complete degree programs on line—"using online to expand capacity."

Dr. Ebersole said, "We're starting to see an open educational resource movement." Today, 140 universities world-wide have put courses online free, though they need vetting to move back in to credential-awarding structure. The Chamber in a recent briefing said the administration might underwrite the costs of developing courses that would be issued free; he thought it "not a bad idea," to meet the need both in the U.S. and around the world. He then asked the audience for comments.

Steven Crow was concerned about 100 or more countries setting up their own processes. "Worry about California," he advised, "before you decide to go to China." He saw the true challenge to be the changing demographics of American society: the least equipped U.S. citizens will soon become a majority on our campuses. He thought it a big enough agenda to make higher education online mobile and accepted in the U.S.

Ms. Blum agreed that the online community still has work to do at home: "Fix quality and policy here first." She also had some concerns about open source courses: how the courses get developed and the administration's goals. "One thing we respect is that each institution is very different in how it creates its courses," she said. "Does the federal government dictate quality? Or do we come together to agree on constructs. "

It was suggested that "the Forum could help the administration figure out what they need."

Dr. Ebersole asked Julie Hamlin to talk about her group's Quality Matters initiative.

Julie Hamlin explained that Maryland Online, a small consortium for collaborations in online learning, “inexplicably gave birth to a program for assuring the quality of online courses.” After a 3-year study funded by FIPCI, the program had so much momentum that it converted to a free-standing nonprofit. “There is tremendous pent-up need for some kind of approach to assure quality, figure out what its components are,” she said. She described it as “a tortuous process but successful because it was entirely a peer process, not outside evaluators. It was developing the brain trust to conceptualize what constitutes quality. We started off looking at courses only, but now we are looking at entire programs.” She added, “If this Forum could move beyond outcome assessment as a single indicator of quality and broaden the conversation, I think it would be very productive.”

Bernard Luskin underscored what Dr. Hamlin said. He also said, “I wouldn't accept or reject the notion of international—it needs to be thought about and analyzed.” The same thing is true of quality. Part of the effect is how rights and opportunities for online now in the legislation. “Where's the future, and what do you think about that?”

FEDERAL UPDATE

Terry Hartle, Senior Vice President, American Council on Education, stood in for scheduled speaker Tom Dawson, Senior Policy Advisor, Bill and Melinda Gates Foundation. Mr. Hartle said the stimulus entailed “a huge influx” of student aid. A more generous tax credit temporarily replaces the Hope tax credit, providing \$15 billion in aid to students and families over the next two years. It covers more expenses, and will be partially refundable, which will benefit an additional 4 million people. Pell grants are rising from \$4,731 to \$5,350 in 2009 and \$5,550 in 2010—the biggest Pell grant increase in history.

The administration's 2010 budget proposes major changes in student aid that will probably be enacted this year. It would kill the bank-based federal student loan program, which has been around since 1965; put all institutions into the government's direct loan program; and use money saved to help make Pell grants an entitlement. It also proposed direct institutional funding for community colleges and extended funding for historically black and Hispanic serving institutions that would otherwise have lapsed. The Congressional Budget Office estimates that ending the bank-based program will save \$87 billion over the next 10 years—but full Pell grant entitlement will cost \$290 billion more. Mr. Hartle advised any institution that is not in the direct lending program now to at least register quickly, even if it does not plan to participate. He expects there will be “steady modest increases for Pell for the next 10 years.” It will probably be a hybrid program, part discretionary and part entitlement, using savings on loans to fund Pell increases.

The House has already passed the bill, but not the Senate. Mr. Hartle predicted student aid will probably get tied up by health care.

The bottom line this year in Washington, Mr. Hartle said, is that “a lot of new money is coming in our direction,” but if the federal government is making available \$100 billion, not including tax credits, for financing higher education, “inevitably regulation will follow” to make sure taxpayer money is being well spent.”

He also noted that the Department of Education wants to do negotiated rulemaking again. Last year there were five panels; this year two panels were announced in May, on foreign medical schools and program integrity issues. Each panel will have at least 15 narrow technical issues to deal with. In sum, he said, “The outlook is promising if you like confusion and complexity.”

Asked whether this is a good time to raise tuition, Mr. Hartle said, “It never is. Many members of Congress think if they give more money for student aid, we will raise tuition to soak it up. Even though the Department of Education two studies found no relationship, many members think there is.”

Panel: “Transparency by Design: Update and Outlook”

Moderator **Michael Offerman** said the *Transparency by Design* project was unique in its mix of institutions “united in passion to educate adults.” “We package learning differently,” he said. “We deliver learning differently.” But ultimately the question is simply, “Are you learning what we said you would?” That is what the Web site sets out. He thanked the Lumina Foundation for its support of the College Choices for Adults program, and also thanked his “Wheaties box of champions” nominees—the members of the project who had done the hard work on the program.

Ed Klonoski spoke to how the group functioned and how it is working to recruit more institutions into the program. The Western Cooperative for Educational Communications was chosen as facilitator in order to provide a neutral third-party guarantee of the integrity of the data. Among the problems that had to be resolved:

1. It was necessary to have common data.
2. They wanted to know how many were employed at the time of admission and had to decide how to ask about what they learned and how they felt about it.
3. There was a need for a consistent graduate survey.
4. None of the measuring instruments (e.g., MAPP, PSOL, and NSSE) was perfect, but they wanted to use common instruments in the public domain.
5. They had to decide how many degrees to put up at first.
6. They also inquired into the academic model and the philosophy of education.

What the project was after was “a real look at institutions side-by-side.” They solicited outside advisers and also wanted to get employer data and alumni outcomes. The intent is to post comparisons.

Russell Poulin walked the group through the Web site, www.collegechoicesforadults.org, showing results from a recent group of students. The dues for institutions for the first year are \$3,500 or \$5,500, and then \$1,000 less thereafter.

Asked about plans for direct-to-student marketing, he said they are working with diagnostics and testing Google to find out which words are most cost-effective. Asked about whether they were capturing leads, he said, “No. No one asks until you reach the institution.” Dr. Klonoski added that the whole intent is to compare data.

CLOSING REMARKS: “SUMMARY AND NEXT STEPS FOR THE PRESIDENTS’ FORUM”

After thanking the sponsors—Lumina, Eduventures, and the Institute for a Competitive Workplace—**John Ebersole** said, “What we have heard was encouraging and challenging. This is a crisis we should not waste, and our sector is perhaps better positioned than more traditional ones.” But, he said, “We need a new way for states to protect their people.” He sensed considerable agreement on taking a regional approach. “We are ready to work with the willing,” he added

There were four points Dr. Ebersole took from the discussions:

1. There is concern for a unified voice at both federal and state levels: “We need to do more to be advocates.”
2. It is time to promote the quality of what we do: “We need to take that responsibility on ourselves.” Quality Matters can be a useful model.
3. The secondary level is failing to provide the skills necessary for student success; 40% of students entering need this: “This is not somebody’s else’s job; we need to find ways to give them the support they need.”
4. Finally: “The national agenda is being funded. Are we prepared to respond?”

And whether institutions are prepared to go international or not, “we need to be in on the discussions.”

Transparency by Design is attracting considerable attention. Dr. Ebersole thanked the members of the project for their leadership, with special thanks to Michael Offerman, and for being “the conscience and memory of the institutions.”