

Issue Paper 3

Program Integrity and Improvement Issues

Issue: State authorization of foreign locations of domestic institutions

Statutory cites: §§101(a)(2); 102(a)(1); 102(b)(1)(B); 102(c)(1)(B) of the HEA

Regulatory cites: 34 CFR §§600.4(a)(3); 600.5(a)(4); 600.6(a)(3); 600.9

Summary of Issue: Determining what regulations should be developed by the Department for State authorization of foreign locations of domestic institutions.

The HEA requires an educational institution to be legally authorized in a State to provide a program of education beyond secondary education in order to participate in the title IV Federal student aid programs, unless an institution meets the definition of a foreign institution. Domestic institutions of higher education often maintain additional locations outside the United States. Neither the HEA nor the State authorization regulations in 34 CFR §§600.4, 600.5, 600.6, or 600.9 specifically address State authorization requirements for foreign locations of domestic institutions.

Comments and Questions:

- How should the statutory requirement of legal authorization in a State be applied to foreign locations of domestic institutions?
- Would the proposed regulations apply to the provision of distance education in a foreign location by domestic institutions?
- As part of the State authorization process, would foreign locations of domestic institutions be subject to substantive review by their home State agencies?