

**From:** Carolyn Fast, Negotiator for Consumer Advocates/Civil Rights (Primary)  
Barmak Nassirian, Negotiator for U.S. Military Service Members, Veterans, or Groups  
Representing Them (Primary)  
**To:** Department of Education and Negotiation Committee Members  
**Date:** March 4, 2024  
**Re:** Analysis of Distance Education Enrollment Data

---

Throughout negotiations, we have proposed changes that would enable institutions to meet state authorization requirements through reciprocity agreements that meet certain conditions -- but require them to seek direct approval from states in which they enroll at least a certain number of students. In other words, states would continue to have direct approval and oversight of institutions enrolling a significant number of their students; but institutions that enroll only a handful of students across state lines would instead participate through a reciprocity agreement that streamlines their access to student enrollment and federal financial aid. This helps to conserve both institutional and state resources, by focusing authorization efforts on institutions with the largest presence in their states.

In [past proposals](#), we suggested that 1,000 students in a state might be adequate to warrant direct authorization. However, we recently analyzed federal data suggesting that such a figure might be too high. States should have adequate resources to provide oversight directly of institutions with a much smaller footprint in their borders.

<b>Institutions with More Than [X] Students in Exclusively Distance-Education From Another State or an Unknown Location</b>		
<b>Number of Students</b>	<b>Number of Institutions</b>	<b>Percentage of Institutions</b>
0	2,924	49%
50	1,696	28%
100	1,281	21%
200	877	15%
300	669	11%
500	471	8%
1,000	246	4%
2,000	139	2%
3,000	105	2%
5,000	63	1%

*Source: IPEDS 12-Month Enrollment and Fall Enrollment data, 2022. Because some of the largest online institutions are better represented by 12-month enrollments than by fall enrollments, this analysis multiplies the percentage of distance education fall enrollments that are among students who are out of state or in an unknown location by the 12-month distance education enrollment figures to estimate 12-month out-of-state/unknown location enrollments. For instance, if a school had 1,000 exclusively distance students according to the Fall Enrollment survey and 1,500 exclusively distance students according to the 12-Month Enrollment survey, and 500 (50 percent) of those fall enrollments were out-of-state, we estimated that 750 of the 12-month enrollments ( $1,500 * 50\%$ ) were out-of-state or in an unknown location.*

In fact, nearly half (49%) of institutions have no exclusively-online students in another state. Only 4 percent have 1,000 students or more. Since our policy proposal relates to the number of online students *in each individual state*, it is clear that 1,000 students would not be an appropriate threshold to appropriately balance the responsibility of states to oversee and authorize institutions enrolling their residents with the resource constraints of doing so.

Instead, we propose to require direct authorization in any state in which an institution enrolls at least 100 students online (as well as in the state where the institution is located). Just 21 percent of institutions have at least 100 out-of-state online students anywhere; even fewer will have at least 100 students in a single given state other than their own. We believe this level would be both more justified and more appropriate as the Department considers ways to balance resource constraints of states and institutions with the need to ensure faithful implementation of the state authorization requirements in the law.