



MHEC
Creating a state of achievement

Larry Hogan
Governor

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Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph. D.
Secretary

December 19, 2019

The Honorable Thomas V. Mike Miller
President
Senate of Maryland
H-107 State House
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker
Maryland House of Delegates
H-101 State House
Annapolis, Maryland 21401

RE: Fully Online Distance Education
Program Registration – #10646

Dear President Miller and Speaker Jones:

Education Article §11-202.2(g) of the Annotated Code of Maryland requires the Maryland Higher Education Commission (MHEC) to submit to the Governor, and in accordance with §2-1246 of the State Government Article, the General Assembly, an annual fully online distance education program registration report. This report shall include:

- I. The number of institutions of higher education that apply for registration under this section;
- II. The type and size of the institutions that apply;
- III. The number of institutions approved for registration;
- IV. The number of institutions denied registration;
- V. The number of Maryland students enrolled in institutions required to register under this section;
- VI. The results of the requirements of §11-202.3 of this subtitle;
- VII. The number of institutions found to be in violation of the requirement to register under this section;
- VIII. Any fines imposed, and in what amounts, on institutions that violate this section; and
- IX. Any fine revenues collected from institutions for violation of this section.

Effective January 1, 2016, the State of Maryland became a full participant in the State Authorization Reciprocity Agreement (SARA). As such, an institutional participant in SARA is exempt from the requirements for the Registration of Online Programs in Maryland (COMAR13B.05.01). Additionally, effective January 1, 2016, Maryland’s definition of operate in Maryland (COMAR 13B.02.01.03B(12)(c)) was amended to allow an out-of-state institution to place no more than 10 students in a single program, physically present at a single site in the State in a supervised internship, practicum, or field experience as a required part of a degree or certificate program. If more than 10 students from a single program are placed at a single site in the State in a supervised internship, practicum, or field placement, then the institution must submit an application for a certificate of approval to operate in Maryland. Membership in SARA has completely altered the online education landscape in the United States and in Maryland.

Presently, there are 49 SARA member states, the District of Columbia, Puerto Rico, and U.S. Virgin Islands with approximately 1,993 participating institutions, an increase of almost 93 institutions over 2018-2019. Only California is not a SARA member state. All SARA member institutions may register online Maryland students with no Maryland registration. With the majority of institutions participating in SARA, the number of out-of-state registration applications for Maryland has dropped precipitously for the current year and four years in a row.

During the reporting period from November 1, 2018, through October 31, 2019, MHEC received a total of 41 registration applications, including 10 initial applications and 31 renewal applications. Below are details specific to the reporting requirement outlined in Education Article §11-202.2(g).

- I. Number of institutions that applied in the reporting period: **41** (10 initial and 31 renewals)
- II. Type and size of institutions that applied:

| Type | Number of applications registration |
|------------------------|-------------------------------------|
| Public | 7 |
| Private for-profit | 14 |
| Private not-for-profit | 20 |

| Size ¹ and Number of Institutions | | Size and Number of Institutions | |
|--|---|---|---|
| Very small two-year ² : | 2 | Small two-year ³ : | 1 |
| Medium two-year ⁴ : | 0 | Large two-year ⁵ : | 0 |
| Very large two-year ⁶ : | 0 | Very small four-year, primarily nonresidential ⁷ : | 3 |
| Very small four-year, primarily residential ⁸ : | 1 | Very small four-year, highly residential ⁹ : | 0 |
| Small four-year, primarily nonresidential ¹⁰ : | 1 | Small four-year, primarily residential ¹¹ : | 0 |
| Small four-year, highly residential ¹² : | 1 | Medium four-year, primarily nonresidential ¹³ : | 7 |
| Medium four-year, primarily residential ¹⁴ : | 0 | Medium four-year, highly residential ¹⁵ : | 2 |

¹ Based on Carnegie Classification of Institutions of Higher Education

² Fall enrollment data show full time equivalent (FTE) enrollment of fewer than 500 students at these associate's degree granting institutions.

³ Fall enrollment data show FTE enrollment of 500–1,999 students at these associate's degree granting institutions.

⁴ Fall enrollment data show FTE enrollment of 2,000–4,999 students at these associate's degree granting institutions.

⁵ Fall enrollment data show FTE enrollment of 5,000–9,999 students at these associate's degree granting institutions.

⁶ Fall enrollment data show FTE enrollment of at least 10,000 students at these associate's degree granting institutions.

⁷ Fall enrollment data show FTE enrollment of fewer than 1,000 degree-seeking students at these bachelor's degree granting institutions. Fewer than 25 percent of degree-seeking undergraduates live on campus and/or fewer than 50 percent attend full time (includes exclusively distance education institutions).

⁸ Fall enrollment data show FTE enrollment of fewer than 1,000 degree-seeking students at these bachelor's degree granting institutions. 25-49 percent of degree-seeking undergraduates live on campus and at least 50 percent attend full time.

⁹ Fall enrollment data show FTE enrollment of fewer than 1,000 degree-seeking students at these bachelor's degree granting institutions. At least half of degree-seeking undergraduates live on campus and at least 80 percent attend full time.

¹⁰ Fall enrollment data show FTE enrollment of 1,000–2,999 degree-seeking students at these bachelor's degree granting institutions. Fewer than 25 percent of degree-seeking undergraduates live on campus and/or fewer than 50 percent attend full time (includes exclusively distance education institutions).

¹¹ Fall enrollment data show FTE enrollment of 1,000–2,999 degree-seeking students at these bachelor's degree granting institutions. 25-49 percent of degree-seeking undergraduates live on campus and at least 50 percent attend full time.

¹² Fall enrollment data show FTE enrollment of 1,000–2,999 degree-seeking students at these bachelor's degree granting institutions. At least half of degree-seeking undergraduates live on campus and at least 80 percent attend full time.

¹³ Fall enrollment data show FTE enrollment of 3,000–9,999 degree-seeking students at these bachelor's degree granting institutions. Fewer than 25 percent of degree-seeking undergraduates live on campus and/or fewer than 50 percent attend full time (includes exclusively distance education institutions).

¹⁴ Fall enrollment data show FTE enrollment of 3,000–9,999 degree-seeking students at these bachelor's degree granting institutions. 25-49 percent of degree-seeking undergraduates live on campus and at least 50 percent attend full time.

¹⁵ Fall enrollment data show FTE enrollment of 3,000–9,999 degree-seeking students at these bachelor's degree granting institutions. At least half of degree-seeking undergraduates live on campus and at least 80 percent attend full time.

| | | | |
|---|---|--|---|
| Large four-year, primarily nonresidential ¹⁶ : | 7 | Large four-year, primarily residential ¹⁷ : | 3 |
| Large four-year, highly residential ¹⁸ : | 2 | Medium four-year: | 0 |
| Not classified: | 4 | Special Focus Institution: | 7 |

N

umber of institutions approved for registration in the reporting period: **40**

IV. Number of institutions denied registration: **1**

V. Number of Maryland students enrolled at institutions required to register: **5,400**

VI. Results of the requirements of §11-202.3 of this subtitle:

At least twice a year, the Commission shall peruse federal databases and other information sources to determine whether there are Maryland students who are enrolled in a fully online distance education program offered by an institution of higher education that is required to register with the Commission under § 11–202.2 of this subtitle, but that has failed to register with the Commission.

In the instance that we determine that an institution is noncompliant or nonresponsive with registration requirements, MHEC staff will notify the school that registration is required. MHEC staff will also investigate the institution's website to determine if it has revised and published its policies on enrolling Maryland students. We continue to identify which institutions are located in a SARA state and are a SARA approved institution, to determine whether an institution should be identified for further enforcement action.

With continued and increasing participation in SARA by out-of-state institutions, the number of out-of-state institutions offering online distance education to students required to register has decreased. To date California is the only state that does not participate in SARA.

VII. Number of institutions found to be in violation of the requirement to register: **1**

In the past, a number of institutions were found to be in violation of the requirement to register as a result of MHEC's investigatory efforts summarized in Section VI. They were deemed in violation since it was determined that these non-registered institutions

¹⁶ Fall enrollment data show FTE enrollment of at least 10,000 degree-seeking students at these bachelor's degree granting institutions. Fewer than 25 percent of degree-seeking undergraduates live on campus and/or fewer than 50 percent attend full time (includes exclusively distance education institutions).

¹⁷ Fall enrollment data show FTE enrollment of at least 10,000 degree-seeking students at these bachelor's degree granting institutions. 25-49 percent of degree-seeking undergraduates live on campus and at least 50 percent attend full time.

¹⁸ Fall enrollment data show FTE enrollment of at least 10,000 degree-seeking students at these bachelor's degree granting institutions. At least half of degree-seeking undergraduates live on campus and at least 80 percent attend full time.

were already enrolling Maryland residents in fully online programs. However, as of this report, only one institution has been found to be in violation of these requirements. No fines have been imposed on the institution as they responded to and complied with MHEC's Cease and Desist warning.

VIII. Any fines imposed, and in what amounts, on institutions that were found to be in violation: **0**

IX. Any fine revenues collected from institutions found to be in violation: **0**

Since 2015, MHEC has seen continued decreases in the number of applications submitted through the out-of-state online registration process as a result of Maryland's participation in SARA. However, students enrolling in online courses and/or programs have significantly increased with the implementation of and participation in SARA. To date, 49 states, the District of Columbia, U.S. Virgin Islands, and Puerto Rico have joined SARA. There are approximately 1,993 individual colleges and universities that participate in SARA.

Maryland's SARA application was initially approved in 2015 and renewed in 2019. MHEC began implementing the agreement on January 1, 2016. In 2018-2019, 29 Maryland institutions participate in SARA enrolling a total of 71,937 students (55,897 Maryland residents and 16,040 out-of-state residents).

| Maryland Residents Enrolled in Maryland SARA Institutions | Out-of-State Residents Enrolled in Maryland SARA Institutions | Maryland Residents Enrolled in Out-of-State SARA Institutions |
|---|---|---|
| 55,897 | 16,040 | 34,863 |

MHEC continues to manage the corresponding decrease in revenues for both online registration and out-of-state certificates of approval. MHEC has offset a portion of these losses by charging in-state institutions an annual participation fee for SARA. A contractual Online Education Analyst position coordinates both the online registration process and SARA portal agency responsibilities at MHEC.

If you have any questions regarding this report, please feel free to contact Mr. Lee Towers, Director of Legislative Affairs, at 410-767-3059, or lee.towers@maryland.gov.

Sincerely,



Dr. James D. Fielder
Secretary