Hilary Malawer

Assistant General Counsel, Office of the General Counsel

U.S. Department of Education

400 Maryland Avenue SW Rm 6E231

Washington, D.C. 20202

September 20, 2017

Docket ID: ED2017-OS-0074

Dear Ms. Malawer,

Coursera is the world’s leading online education platform, consisting of 28 million learners who participate in courses offered by over 150 elite university and industry partners. Our platform hosts over 2,000 courses which have collectively accumulated 111 million enrollments.

As a leader in the online education space, Coursera strongly believes that certain regulatory restrictions place unnecessary boundaries and burdens on the higher education ecosystem. We submit the following recommendations for review and consideration in response to your May 31st request for feedback to inform the U.S. Department of Education's efforts to evaluate regulations under the authority of the Office of Secretary of the Department of Education as required by Executive Order 13777, Enforcing the Regulatory Reform Agenda.

The items below summarize the regulations by addressing the regulation, the issue, and the suggested solution(s).

The topics covered include:

* Title IV Eligibility & Credit Hour Definition;
* GI Bill and Federal Perkins Loan - Expansion of Programs/Pilots; and
* State Authorization.

**1. Title IV Eligibility & Credit Hour Definition**

Coursera appreciates the fact that access to government funding programs, like Title IV, are monitored and controlled but is also concerned by the limited scope of Title IV funding and restrictive definition of a credit hour. Only accredited institutions are eligible to participate in Title IV programs, making it difficult for some students to fully utilize their funding. Learning is measured according to the Carnegie Unit credit hour calculation, which includes an aged and now somewhat arbitrary time requirement to quantify learning. Alternative methods could allow for educational providers to assess competencies to demonstrate successful learning outcomes, which would support the Department’s call to innovate towards decreased costs and time to degree completion.

Alternative education providers (such those supporting online education and skills training and coding bootcamps) often are unable to qualify to become accredited and therefore are not eligible to participate in Title IV programs. Students who need the convenience of the on-demand learning that third-party partners offer encounter challenges with freely using Title IV funds to pay for them. By allowing Title IV funds to be used towards alternative provider trainings, not only will online providers benefit, but also university partners whose content they provide, and participating students. Students who would otherwise not pursue higher education at all could use Title IV funding to do so, opening new opportunities for students and institutions alike. Additionally, many institutions are fiscally unable to build and support quality online educational options for their existing curriculum and in response, look to partner with third-party partners to support launching high quality online programs. Coursera asks that the Department reconsider the required criteria for eligibility to participate in Title IV, so that students and institutions may have more options in disbursing and using Title IV funds.

**2. GI Bill and Federal Perkins Loan - Expansion of Programs/Pilots**

Coursera commends the recent expansion of the GI Bill, which allows veterans to seek federal funds for tuition over the course of their entire lifetime opposed to the previous cap of 15 years after service. Further, Coursera is looking forward to learning more about guidelines and requirements to participate in the proposed 5-year pilot, as funding was previously only available for traditional education offerings.

The Department should also consider expanding the pilot to include need-based students who qualify for Perkins loans, but are not veterans. By expanding the program to include more participants, the data gathered will be more thorough and useful. Expansion would also promote diversity and increase the pilot’s impact by bringing affordable education to more students.

**3. State Authorization**

While Coursera recognizes and supports the intent of state authorization regulations, specifically the state authorization sections of the Institutional Eligibility regulations and amendments to the Student Assistance General Provisions regulations, (including the required institutional disclosures for distance education and correspondence courses which tie Title IV funding to the requirement that institutions follow the laws in the states where they serve students), these regulations are also burdensome. In order to comply, institutions spend significant time and resources to understand the complex landscape and gain approvals. In some instances, institutions are forced to restrict educational activities in specific states. Compliance is too complex and expensive.

The State Authorization Reciprocity Agreement (“SARA”) created an avenue for participating institutions to follow one set of requirements for compliance in all SARA member states. This agreement has allowed institutions to conduct distance education related and limited additional activities as uniformly defined by the SARA agreement, but unfortunately has been unable to fully eliminate the burdens of state authorization compliance. International distance education providers are unable to join SARA, which allows for consumer protections and quality assurance for U.S. students is left uncontrolled and further hinders accessibility and affordability of U.S. students seeking higher education. The SARA agreement also identifies activity thresholds that members need to monitor and track, such as the number of students completing non-classroom experiences at individual sites, which were not previously tracked or monitored. If an institution exceeds the threshold, it would need to comply with the individual states compliance processes in addition to participating in SARA.

Critics of SARA have asked about whether or not state participation in the agreement weakens the state’s ability to take on predatory online education companies based in other states. It is important to note that before SARA, many SARA states did not have any regulation or process for vetting out-of-state distance education providers. In fact, SARA provided more protections and quality control in this space for many states. Additionally, critics have claimed that with SARA, consumer protection laws would be negated, leaving students vulnerable. This criticism is incorrect, as state attorneys general still have the ability to take action when necessary, related to actions for which institutions and/or individuals would be criminally liable.

The Department should support, through grant funding or similar, the expansion of SARA coverage and participation to include and allow for more streamlined reciprocity coverage and the vetting of international higher education providers in an effort to ensure quality assurance and consumer protection.

Thank you for the opportunity to comment and participate in the efforts to evaluate regulations under the authority of the Department of Education’s Office of Secretary.

Respectfully yours,



David Liu

General Counsel

Coursera, Inc.