Public Community Colleges

Bismarck State College: During any given semester we deliver courses to all fifty states. While the majority of our students are North Dakota residents, roughly 83%, the tuition and fees we collect from out-of-state students through our online programs provides us funding to develop better online instruction or to enhance directly our on-campus programming. A sampling of state approval costs estimated and the number of students served by BSC in those states:

- **Minnesota**
  - 59 Online Students, 3 Military Students, 44 Energy Students
  - Application Fees: $2,000 per Associate’s Degree, $2,500 per Bachelor’s Degree.
    - 13 AA/AAS degrees = $26,000
    - 1 BAS degree = $2,500
    - **Total = $28,500**

- **Wisconsin**
  - 22 Online Students, 1 Military Student, 21 Energy Students
  - Application Fees: $2,500 per Associate’s Degree, $3,300 per Bachelor’s Degree.
    - 13 AA/AAS degrees = $32,500
    - 1 BAS degree = $3,300
    - **Initial Total = $35,800**
  - Annual renewal fee - $500 “Annual Renewal of School and Program Approval”

- **Florida**
  - 37 Online Students, 7 Military Students, 36 Energy Students
  - Application Fee: $500 plus $3,000 “Workload Fee” plus $200 per program ($2,800)
    - **Total = $6,300**

- **Alabama**
  - 3 Online Students, 1 Military Student, 3 Energy Students
  - Application Fee: ½ of 1% of annual gross income from AL students, not less than $2500.
    - **Total: $2,500**

- **Alaska**
  - 4 Online Students, 2 Military Students, 4 Energy Students
  - Application Fee: $2,500 plus renewal fee of 3% of average tuition receipts during most recent authorization period (not less than $500).
    - **Total: $3,000+**

Total for these 5 states is $76,100+ in cost for 257 students (Approx. $296/per student).
Northern Virginia Community College: I created a spreadsheet based on 2009 data on out-of-state students with two scenarios. One scenario reflects the cost in money and resources if our membership in the SREB gives us an exemption. The second scenario is if it does not. It appears very unlikely that there will be a decision before the July 1, 2011 deadline. I used the "StarterList” to guide me and when I had questions, searched state sites. We have no way to predict before enrollment where our students' state of residence will be, nor can we predict where they may move to during the completion of their education. To be in compliance with the regulation, eventually, we should be authorized in each state that has that requirement.

- The cost for approval in 26 states is $108,900. Approval will also be needed in Pennsylvania, but costs could not be determined. Pennsylvania is included in the count of states, but is not included in the total cost.
- Assuming that we could use SREB’s Electronic Campus in the Southern states, the cost for approval in 16 states would be $63,313. Pennsylvania is included in the count of states, but is not included in the total cost.

I erred on the side of highest fees when unsure. The costs reflect application fees, not cost of personnel and other college resources.

Ocean County College (NJ):

- Massachusetts $10,000 to apply and 10,000 for our degree programs.
- If approved, then $4,000 per year renewal.
- A dedicated position for monitoring and compliance: $60,000 with benefits.
- Mailings, phone, retraining advisors etc...
- There must be a line for PRICELESS.

Clark State Community College (OH): We’ve only had 41 out-of-state students from 18 different states during the past year. There would be costs involved from 14 of those 18 states, however half of the students come from states that don't charge. So essentially, we’d have to pay states that only have one or at the most two students enrolled at Clark State. Anyway, based on the state regulations our estimated cost would be $45,300 or $2,265 per student which is more than we charge in tuition a year for a full time student. And that would only cover exemption, authorization and/or license fees. It does not take into account staff time which would be tremendous. In a couple of cases the process would be similar to an accreditation visit.
Public Colleges/Universities

University of Montana, Missoula: Our Dean just shared his estimates for compliance with the nine states beyond Montana that we serve most frequently. He’s not yet sure if these are annual or one time fees, and the figure is very preliminary at this stage, but the estimate is $29,250.

Independent Non-profit Colleges/Universities

Marygrove College (Detroit, MI): Marygrove has been working through the process with Ohio. Here are the costs we have incurred so far:

- $3,500 submitted with the original letter of intent.
- $499 car service for site visit.
- $339 hospitality suite.
- 76 snacks for reviewers.
- $9739 for the site visit reimbursements (hotel, air fare, payment for reviewers).

Total: $14,153 total

This did not include lunch on campus, cost for two, 1-hour conference calls during the site visit, and the time it took the staff to write the report, prepare for the visit, and participate in the visit. There is an annual fee to maintain authorization in Ohio.

Sienna Heights University (MI): We are completing an application for approval to operate in Wisconsin. Their application fees include the following that would likely apply toward our application:

- Initial School Approval: One baccalaureate program $3,300 (we offer three degree programs online) $3,300 x 3 = $9,900.
- Revision Fees: Minor corrections $200. Major revisions $1,000. I would assume we would have minor corrections, but maybe not.
- Surety Bond $2,000.
- Annual Renewal $500.

I would estimate over $10,000 for this single state application. We also received approval for a part-time person to research/complete applications. This will cost $20,000.

Regis University (CO): Estimated costs for next fiscal year for fees:

- For NEW state authorizations is estimated at $53,880.
• Fee costs for ongoing re-authorizations, updated program lists, annual reports, etc... for
next year is estimated at $12,000.
• Both figures include some travel costs for those states that require attendance at
meetings.
• New bond costs for next year are estimated at approximately $8,400 and bonds
requiring renewal at $9,800 for a total of $18,200.
• That brings the grand total of our estimate to $84,080.

This figure DOES NOT include any staff time. We currently have one full-time staff person and
one part-time support staff that assist with this function.

Franklin University (OH):
• Initial authorization for states = $195,000
• Temporary staff to meet July 1 due dates = $45,000
• Annual fees once authorized (includes surety bonds, agent license, new program
registration, etc.) = $100,000
• Updates/Monitoring Regulations (listserves, conferences, travel to agencies when
physical presence required) = $55,000
• Additional staff (2 full-time positions to manage regular reporting and state-level
activities) = $150,000
Total Cost for next two years: $545,000. Annual costs for year three and beyond: $305,000.

Cincinnati Christian University (OH): The only one we currently have worked on is Kentucky.
We are looking at about 30 hours of compiling and preparing the applications for two existing
sites (online and one just across the river from Louisville with heavy marketing in Louisville).
The compilation cost is roughly $450 for that one state. The big expense though is their $5,000
initial fee per site. So just for Kentucky, our relatively small school would be looking at $10,450
for authorization in one state only. If the application fees for other states prove to be equally
steep, that would take our entire budget.

Texas Christian University (TX): We’ve only done a very preliminary look here, a random
sampling, actually. Still, even counting only the state compliance costs for that random sample,
we’re looking at over $62,000. Total tally could easily top six figures.

A large Private Research University in the East (they asked to not include their name): We
have done a preliminary assessment to analyze the initial cost of compliance. This is rough, but
we estimate approximately $175,000 for initial registrations in ALL states.

Trevecca Nazarene University (TN): We did a preliminary review of initial costs for making
application to the states where we will need approval and put $125,000 into the budget for
next year. This does not count the labor involved and it does not count additional states and
future fees.
Norwich University (VT): Costs of compliance in all 50 states will be substantial initially and in ongoing operations. Many states require various fees, bonds, physical offices/agents and other regulatory mechanisms regardless of online delivery systems, and renewal cycles vary but will require constant attention to maintaining currency. Direct costs and additional staff resources will necessarily be reflected in tuition and fees and contribute to the student financial burden.

University Systems

North Dakota University System Online: Performed a financial analysis of how much it would cost for one institution in North Dakota to complete applications. The institution serves 615 students in 48 other states. The institution needs to apply in 21 states and to register in four more. The rough estimate for the total cost in fees for this one institution to apply or register for approval in those 25 states is $159,800. This analysis focuses solely on fees and does not include the staff time necessary to research the regulations, complete the applications, and manage the process.

Minnesota State College and Universities: Performed a similar analysis to North Dakota’s for the 32 colleges and universities of the Minnesota State College and Universities of what the first year would cost if all the system’s colleges and universities sought approval in the other 49 states. Based upon preliminary estimates of the states where approval or registration would be required, it is estimated the total cost in fees would be $5.5 million.

Oregon University System: We have done a very careful and detailed assessment for all our seven OUS institutions. For the system as a whole (based on what we now offer), it is $601,800. This does not include personnel costs, just fees.

Final Comments

A regional, public university called WCET this week. The university received a “cease and desist” call from serving students in a neighboring state. The university is serving ten students in a graduate program and did not have approval. It will cost about $6,000 to apply, plus the cost of travel for a review team, and yearly costs for renewal. The university is planning to “teach out” the current students and not admit future students from the neighboring state.

A community college responder suggested that we should also consider lost revenue from not being able to serve students in states in which an institution decides not to seek approval.

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