

## INVESTING IN EDUCATION

## Cross-Border Activities of Colleges and Universities

By Lorraine Sostowski and Elizabeth B. Meers

Higher education is becoming an increasingly international endeavor. For many years a small number of universities incorporated in the United States have provided educational programs solely in the Arab world. In addition, many U.S. colleges and universities have participated in “study abroad” programs in which U.S. students study at a non-U.S. institution, generally for one year. More recently, American colleges and universities have been participating in various arrangements to provide students in the Arab world with in-country access to their educational programs as well as providing assistance to postsecondary educational institutions or other entities (including government-sponsored bodies) in establishing or expanding a variety of postsecondary educational programs. These arrangements include “branch campuses” of U.S. institutions in the Arab world, formal “affiliations” between U.S. and Arab world institutions, the provision of consulting services by U.S. institutions to Arab world institutions, and the offering of online educational programs by

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U.S. institutions to students located in the region. On the other side, certain postsecondary educational institutions in the Arab world have sought and secured accreditation of certain educational programs or the institution as a whole by American accrediting bodies. We expect that all of these activities will increase in the years to come. This article briefly discusses some of the principal issues faced by parties involved in these types of activities.

### BRANCH CAMPUS OF U.S. COLLEGES AND UNIVERSITIES

Several U.S. colleges and universities have established “branch campuses,” in the Arab world, often in collaboration with a sponsoring entity located in the region. This approach typically involves a process that includes preparation of a feasibility study, negotiation of a preliminary agreement setting forth the principal terms of the arrangement, negotiation of a more detailed “definitive” agreement, approval of the arrangement by the internal governing bodies of the parties and implementation of the agreement, including obtaining requisite regulatory approvals from the applicable licensing<sup>1</sup> and accreditation bodies<sup>2</sup> with jurisdiction over the U.S. institution and, in many instances, approval of the U.S. Department of Education<sup>3</sup>.

Principal areas of concern between the U.S. institution and the non-U.S. sponsoring entity include defining the initial

program offerings and related capital and operating budgets, allocating the respective financial obligations of the parties, allocating responsibility for marketing activities, establishing a mutually acceptable process for reviewing progress on

## US Colleges are branching out in the Arab World - on campus and on-line.

implementation, future budgetary approvals, modification of the business plan and resolution of disputes, and defining appropriate circumstances for termination of the operation, including allocating financial responsibility for satisfying commitments to students. The U.S. institution will be concerned about maintaining appropriate control over the operation, both to satisfy regulatory and accreditation requirements and to ensure that the quality of this campus is consistent with that of its other campuses, satisfying itself that funds to be provided by the sponsoring agency will be available in full and on a timely basis, ensuring that the operation will be in compliance with all applicable U.S. laws (such as employment and labor laws), ensuring that its name and trademarks are utilized in an acceptable manner, and maintaining policies (for example, with respect to student discipline and faculty rights to intellectual property) that are consistent with its generally applicable policies. The

1) In the United States, a postsecondary institution must be licensed by the appropriate state education agency or agencies to operate and/or to award credentials in the state(s) where the institution is physically located. Establishment of a campus outside the U.S. may require the consent of or notice to this agency. 2) In the U.S., an accreditation body is a not-for-profit entity that conducts peer evaluations to assess whether a particular institution or program meets the entity's standards of quality and to assist the institution with self-improvement. Receipt and maintenance of accreditation is necessary to participate in federal student financial aid programs and contributes to the long-term viability of an institution. An institution may need to obtain approval from or to notify its accreditors in connection with establishment of a campus outside the U.S. 3) Many U.S. postsecondary educational institutions participate in student financial aid programs administered by the U.S. Department of Education. An institution generally must obtain approval from the U.S. Department of Education in order to award federal student financial aid to eligible students enrolled at a campus outside the U.S.

**CROSS-BORDER  
ACTIVITIES OF COLLEGES  
AND UNIVERSITIES**

sponsoring entity will be concerned about satisfying itself that the necessary human resources for the operation are or will be available and ensuring that the target student population will be the primary beneficiaries of the operation, desired student transferability among campuses will be possible, desired credentials will be conferred upon students who complete their degree programs, and that it will have the desired level of input over the operation of the campus.

**FORMAL AFFILIATIONS  
BETWEEN U.S. AND ARAB  
WORLD INSTITUTIONS**

One alternative to a “branch campus” is the establishment of an affiliated relationship between a U.S. education institution and an Arab world education institution. The Arab world institution may be in existence or may be a newly-created entity or newly-created school of an existing entity, such as a school of medicine or engineering. In such an arrangement, the U.S. institution grants certain rights to

campus arrangement also apply to an affiliation arrangement. Some differences between the arrangements include the fact that fewer regulatory and accrediting agency approvals will be required by the U.S. institution with respect to an affiliation relationship and, on an ongoing basis, significantly less scrutiny of the arrangement will likely be given by these agencies. On the other hand, due to the public nature of the affiliation, the U.S. institution will be concerned that the quality of the programs offered by its affiliate meet specified standards, that it have wide latitude in determining whether those standards are met, and that the Arab world institution represent itself only as affiliated with, not part of, the U.S. institution. For its part, the Arab world institution will be concerned that the applicable quality standards are clear, reasonably achievable, and not subject to arbitrary change. In addition, in the case where the affiliate program is being developed anew, the parties should have a clear work plan with specified deliverables, timetables, and payment obligations as well as specific provisions governing ownership of intellectual property development in connection with the arrangement and the rights, if any, of the affiliate to continue the programs under its own name following the termination of the arrangement.

**SERVICE AGREEMENTS  
AND ONLINE PROGRAM  
OFFERINGS**

Certain U.S. universities have entered into consulting agreements with sponsoring entities in the Arab world pursuant to which they agree to provide a full range of advice regarding the establishment of a college or university, including the selection of degree programs, curriculum and facility design,

budgeting, development of policies and marketing plans, and faculty and personnel recruitment. Few or no regulatory approvals and little oversight are required with respect to the U.S. institution, although if the institution is tax-exempt under U.S. law, it will be concerned with structuring the arrangement in a way that does not raise significant tax issues. Its primary concerns will be commercial in nature, including minimizing the risk of non-payment of fees, protecting its intellectual property, and establishing a fair and efficient dispute resolution mechanism. The sponsoring entity will be concerned about specifying sufficiently detailed deliverables, tying payment obligations to meeting delivery deadlines, obtaining adequate intellectual property rights, and establishing a fair and efficient dispute resolution mechanism.

The offering of online programs by a U.S. postsecondary institution is, in most respects, a unilateral activity in that the U.S. institution generally does so on its own initiative following an internal assessment of the attractiveness of such an endeavor and receipt of any necessary licensure or accreditation approvals. Attention must be given to any regulatory restrictions imposed by the country into which the programs are offered. In addition, the U.S. institution may find it desirable to enter into a marketing arrangement with a local entity.

**ACCREDITATION OF  
NON-U.S. INSTITUTIONS  
BY U.S. ACCREDITORS**

U.S. accreditors are of several types: “Institutional” accreditors accredit a college or university as a whole, whereas “specialized” or “programmatic” accreditors accredit particular types of educational programs. Although

**Arab Educational Institutions seek US Accreditation  
to gain an internationally recognized seal of approval.**

the Arab world institution to hold itself out as being affiliated with the U.S. institution. This arrangement typically includes a commitment by the Arab world institution to maintain certain specified quality standards satisfactory to the U.S. institution. It also typically includes arrangements for faculty and student exchanges and research and other collaborations. The parties often undertake a feasibility study and enter into a preliminary term sheet followed by a binding agreement.

The same principal areas of concern regarding a branch

not all specialized accreditors are active overseas, some do grant accreditation or the equivalent to programs offered by non-U.S. institutions. For example, AACSB International -- The Association to Advance Collegiate Schools of Business has long accredited business programs offered by institutions outside the U.S. The Accreditation Board for Engineering and Technology recognizes engineering programs offered by institutions outside the U.S. as "substantially equivalent" to ABET-accredited programs offered by U.S. institutions.

In recent years some higher education institutions organized and operating outside the U.S., including in the Arab world, have sought institutional accreditation by U.S. institutional accreditors. According to the Council for Higher Education Accreditation, U.S. regional accreditors currently accredit over 20 institutions operating in countries other than the U.S., including The American University in Cairo, American University of Beirut, and American University of Sharjah. Zayed University in the United Arab Emirates is a candidate for accreditation with one of the U.S. institutional accreditors.

Higher education institutions in the Arab world may want to consider accreditation by U.S. institutional or specialized accreditors in order to obtain independent evaluation of the institution or program and attain an internationally recognized "seal of approval". Institutions seeking U.S. accreditation need to determine whether they are eligible for accreditation under the criteria of the relevant accreditor and to meet extensive standards relating to the institution's governance, educational programs, finances, and other areas of operation. Although the process for achieving accreditation is time-consuming, it can be worthwhile. ■

INVESTING IN EDUCATION

## International Education and Resource Network (iEARN) in the Arab World

By Carole Ryavec

Active in 115 countries, International Education and Resource Network (iEARN) is the world's largest K-12 project-based Internet-supported learning network. The iEARN network provides a secure environment for information sharing through online teacher and student forums.

The iEARN network has members in most Arab countries, and students join in all forms of global collaborative projects with students in other countries. There is also an Arabic language forum at [apc.iearn.arabic](http://apc.iearn.arabic). The programs run in these countries include: technology exchange; physical exchange; environmental studies. Many of the technology and exchange programs are funded by U.S. government grants.

### TECHNOLOGY PROGRAMS JORDAN

iEARN members have been active in Jordan since 1992. Many schools struggle to keep their students up-to-date on the latest technology. Jordan's King Abdullah, who recently launched an impressive initiative to provide all of its schools with computers and basic technology training, was running into this very problem. A unique solution was to be found - in far-off New York City - a program to bring

technical help to schools in Jordan while building cross-cultural friendships along the way.

The State Department-supported LINC (Linking Individuals, Knowledge, & Culture) Program enhances Jordan's efforts by empowering students to contribute solutions. The program started in April 2005 with the arrival of the Jordanian students for their 3-week visit to New York City and ran through the summer of 2005, when the New York City students traveled to Jordan.

Building on iEARN's mission to build international trust and understanding through shared online classroom projects, participants also will host each other for three-week stays in the spring and summer of 2005 in a physical exchange administered by AYUSA.

### YEMEN iEARN-Arabia Trains Teachers in Connective Technologies

"Internet for Yemeni High Schools" was established in October 2003. The purpose of the program, is to connect schools in Yemen to the Internet to 1) improve teachers' ability to facilitate student-centered lessons; 2) improve student learning by allowing Yemeni students, and girls in particular, to do research with other students in Yemen, the region, and the US; and 3) assess the impact of the use of the Internet as a teaching tool in schools.

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