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Study-Abroad Investigation Raises Alarms

Colleges defend practices but rush to make sure arrangements are legal

By ELIZABETH F. FARRELL

A three-week-old investigation of the study-abroad industry by the New York State attorney general's office has sent colleges leaders scrambling to ensure the legality of their arrangements with independent providers of overseas education, while defending practices they say are necessary to offer high-quality programs on tight budgets.

In mid-August, five study-abroad providers received wide-ranging subpoenas from Andrew M. Cuomo, New York's attorney general, requesting information about any incentives they offer to colleges, such as free trips to study-abroad locations for university officials, discounted rates for exclusive access to students, and subsidies to colleges that enroll large numbers of students.

More than two dozen colleges and study-abroad providers contacted by *The Chronicle* insisted that their practices were ethical, and that such arrangements did not sway their advice to students on choosing an overseas educational program.

Nevertheless, college presidents and leaders in the study-abroad industry are not taking any chances. At Duke University, Purdue University, the University of Illinois at Urbana-Champaign, and other institutions, study-abroad directors have been asked by their bosses to explain and document their agreements with outside companies.

The providers, too, are reviewing their practices. A day after receiving one of Mr. Cuomo's subpoenas, the director of the Danish Institute for Study Abroad, a nonprofit organization based in Minneapolis, said he planned to eliminate per-student payments to colleges, which the institutions' staff members have used to defray the cost of attending professional-development conferences in Copenhagen.

"We have decided to terminate that system because it creates misunderstanding," said Anders Uhrskov, director of the institute. "We feel completely innocent and clean," he added.

Other programs besides the Danish institute that have received subpoenas include the American Institute for Foreign Study, the Institute for the International Education of Students, Arcadia University's Center for Education Abroad, and Butler University's Institute for Study Abroad.

Benjamin Lawsky, deputy counsel to Mr. Cuomo, said some colleges — and possibly more independent study abroad companies — can expect to receive subpoenas in late September. He did not indicate which colleges were likeliest to be investigated.

The attorney general's effort follows a similar investigation into the student-loan industry, which uncovered numerous arrangements between loan providers and colleges that benefited both partners while limiting students' choices. Many study-abroad officials have complained in recent weeks that they are being assumed guilty because of the problems uncovered in the loan scandal, but Mr. Lawsky said those concerns are unwarranted.

"People shouldn't get the impression that all the problems in the student-loan industry are also there in study abroad," he said. "We are very well cognizant of the distinctions between those two industries. At least in terms of impact on students and families' pocketbooks, it's likely not as great [in the study-abroad industry] as it was for student loans."

Financing and Transparency

Federal support for international education has been on the rise for the past few years, with financing for the State Department's Bureau of Educational and Cultural Affairs growing from \$320-million in the 2004 budget to requested appropriations of \$486.4-million in the 2008 budget.

Although Mr. Cuomo's investigation is likely to raise eyebrows among federal legislators, one Republican Congressional aide who requested anonymity because he is not authorized to speak to the news media said he doubted that recent events would affect the future of the Senator Paul Simon Study Abroad Foundation Act (HR 1469). The Senate Foreign Relations Committee has earmarked \$2-million for the bill, which has more than 40 co-sponsors and was passed by the House of Representatives in June.

"U.S. exchange programs enjoy broad support in Congress," the aide said. "Criminal allegations of collusion are serious, but I don't think they will have much impact on enthusiasm in Congress for these types of programs, nor should they."

Carl A. Herrin, an independent international-education consultant and lobbyist, said colleges and providers now face the challenging task of demystifying the inner workings of their industry. Mr. Herrin and others in the field note that many of the agreements between colleges and their independent partners seem more suspect than they actually are because they vary greatly from one institution to another, with the result that some colleges charge their students more than some others would to participate in the same overseas programs.

Students often assume that they are being charged more than the actual cost of the programs they attend abroad. On the surface, that is correct. But some study-abroad offices are not directly financed by their institutions, even though they oversee credit-granting programs abroad. Unlike an English or chemistry department that receives a designated amount in the college budget, these study-abroad offices must charge added fees, akin to a student-activity or technology fee, to meet their full operating costs.

That necessity is compounded by institutions that, anxious to keep up with their peers and claim status among "global campuses," encourage many students to study abroad. The success of those efforts has not been met with proportional increases in staff sizes, however, according to a survey by the Institute for the International Education of Students, a nonprofit study-abroad provider.

In the 2006-7 academic year, the average staff member in a study-abroad office had to advise 95 students, the survey found, up from 63 in 2003-4. Many in the field complain that while administrators promote international education in their institutional missions, they do not put the same emphasis on it in their budgets.

To stretch their budget dollars, college study-abroad directors say they often solicit discounts from providers, but only after they have approved a given program on the basis of its quality. A recent survey of 60 study-abroad directors conducted by Cultural Experiences Abroad, a for-profit provider, found that 54 percent of those who use third-party providers said the companies had given their offices financial support, such as discounts.

Critics of those agreements, which offer colleges a lower rate per student for enrolling a given number of students, characterize them as perquisites given to lure colleges into choosing a particular provider.

The variety of billing practices used by different colleges is another legitimate reason to give discounts, argue top executives at study-abroad companies.

Mary M. Dwyer, president of the Institute for the International Education of Students, says that among the 166 institutions her company serves, there is little consistency in how they itemize their expenses, with

some specifying, for example, that students be charged directly for tuition and the college be charged for room and board, and others having all charges billed to the college.

"We joke that if you've seen one university, you've seen one university," she said.

The paperwork and processing is one reason that the Council on International Education Exchange, like Ms. Dwyer's institute, gives discounts to institutions that send larger numbers of students to its programs, the company's president, Stevan Trooboff, told "stakeholders and friends" in an e-mail message in late August. College study-abroad offices that process large batches of this paperwork save his company lots of work, he said.

As for the free overseas trips for campus study-abroad staff members, college officials call them strictly business and explain that the trips help staff members evaluate the quality of programs far from the home campus.

John C. Sunnnygard, director of the Center for Global Educational Opportunities at the University of Texas at Austin, said that on a recent trip evaluating a program in Rome, he decided to temporarily remove the program from the university's offerings until improvements could be made. He said that if colleges had to cover the costs of such trips themselves, "very few of these programs would have outside oversight."

But the people involved in running study-abroad programs seem also to have concluded that they need to do a better job of scrutinizing their own behavior. Nafsa: Association of International Educators announced two days before Mr. Cuomo's subpoenas were issued that it would create a committee to recommend guidelines for the study-abroad industry.

The Forum on Education Abroad, a consortium of providers that was founded six years ago to create standards of good practices for colleges and companies, has seen membership rise over the past year, said Brian Whalen, its president. It now includes 70 colleges, which represent 75 percent of the students who study abroad annually.

"The study-abroad industry is truly mobilized now," said William I. Brustein, associate provost for international affairs at University of Illinois at Urbana-Champaign and president of the Association of International Education Administrators. "We know we have to get the information on our relationships out there and have answers to the questions that are going to be raised."

JJ Hermes, Matt Petrie, Elizabeth Quill, and Lauren Smith contributed to this report.

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