

A More Uniform Way of Recognizing Online Degree Programs Across State Lines, with SARA as a Focus

Marshall A. Hill, Executive Director, National Council for State Authorization Reciprocity Agreements

GAINING APPROVAL TO OFFER POSTSECONDARY DISTANCE EDUCATION ACROSS STATE LINES: The State-by-State Approach

In our country, a good deal of the oversight and regulation of education, including postsecondary education, is carried out by the states. The states regulate in markedly different ways, especially in regard to how they deal with out-of-state institutions that want to do business within the state. That variety complicates the work of institutions that want to enroll online and distance education students in states other than their own.

To achieve compliance with varying state laws, each postsecondary institution in the United States, regardless of sector, that enrolls out-of-state students via online or distance education must identify the governmental agencies charged to oversee postsecondary educational delivery within the borders of the country’s 54 states, territories, and districts in which they enroll students, contact those agencies, and determine and comply with their highly varying requirements. It’s as if we as individuals, in planning our vacations, had to contact each state in which we anticipated driving, ask whether we were required to get a license, and, if so, what that would entail. We could then take that information into account, finalize our vacation plans, and apply for licenses in the states in which we decided to drive. While we don’t have to go through that process to plan our vacations, that’s exactly what institutions have to do to determine and abide by varying state laws while enrolling online students in states other than their own. And, to clarify an often misunderstood point, this process applies to institutions of all types: public, independent, nonprofit, and independent, for-profit institutions.

If we want distance education to play a substantial role in increasing postsecondary attainment in the United States, we need a better approach. The current process is too varied among the states to ensure consistent consumer protection, too cumbersome and expensive for institutions that seek to provide education across state borders, and too fragmented to support our country’s architecture for quality assurance in higher education—the quality assurance triad of accrediting agencies, the federal government, and the states.

PROBLEMS

- States and territories regulate higher education within their borders, with varying requirements for out-of-state institutions that want to do business in the state.
- Cross-state online education offered by colleges and universities is expanding dramatically.
- At present there is no alternative to each institution separately pursuing any needed approvals (state authorization) in each state and territory where it enrolls students.
- Consequently, thousands of institutions are required to contact and work through as many as 54 states and territories, and sometimes with multiple regulatory agencies in those states.
- That process is inefficient, costly, and not effective in supporting access to high-quality distance education throughout the country.

A NEW APPROACH: The State Authorization Reciprocity Agreement

A new process of state oversight of postsecondary distance education has been created to redress these problems. It relies on state-level reciprocity, the same concept that keeps us from having to obtain multiple driver's licenses. The State Authoriza-

tion Reciprocity Agreement (SARA) is an agreement among its member states and U.S. districts and territories that establishes comparable national standards and policies for interstate offering of postsecondary distance-education courses and programs. (Participation in SARA is voluntary for both states and institutions.) Developed over a several-year period by representatives of postsecondary institutions, state agencies of higher education, state higher education regulators, accrediting bodies, and various higher education interest groups, SARA relies on a common set of expectations, standards, and procedures designed to facilitate the expansion of distance education, support quality, and provide responsive consumer protection. U.S. states, districts, and territories may voluntarily join the initiative (similar to their recognizing one another's drivers' licenses).

SOLUTION

The State Authorization Reciprocity Agreement (SARA) establishes a state-level reciprocity process that will support the nation in its efforts to increase the educational attainment of its people by making state authorization:

- More efficient, effective, and uniform in regard to necessary and reasonable standards of practice that could span states
- More effective in dealing with quality and integrity issues that have arisen in some online/distance education offerings
- Less costly for states and institutions and, thereby, the students they serve

SARA covers many aspects of distance education, but it doesn't solve all issues. While a certain degree of experiential learning accompanying online learning is covered, extensive experiential programs may not be. In particular, programs that prepare students for licensure in fields such as nursing, psychology, teaching, and other areas still require the approval of licensing boards in distant states. And if an institution wants to establish a campus or an administrative site in another state, it will have to go through whatever review and approval processes that state requires. For particular information on these complex issues, consult the FAQs and the Policies and Standards sections of the National Council for State Authorization Reciprocity Agreements (NC-SARA) website, www.nc-sara.org.

IMPLEMENTATION AND PROGRESS

SARA is being implemented through the country's long-established four regional education compacts: the Midwestern Higher Education Compact, the Southern Regional Education Board, the New England Board of Higher Education, and the Western Interstate Commission for Higher Education (see Figure 1). (Note: The three states—New Jersey, New York, and Pennsylvania—and other U.S. districts and territories that are not members of a regional compact may either become full members of a compact or may choose to affiliate,

KEY POINTS

- SARA is voluntary for states and institutions.
- It is administered by the four regional higher education compacts (Midwestern Higher Education Compact, New England Board of Higher Education, Southern Regional Education Board, and the Western Interstate Commission for Higher Education), which began accepting applications from states in their regions in early 2014. Once states are approved, they can begin to enroll eligible institutions.
- Membership is open to degree-granting postsecondary institutions from all sectors (public colleges and universities; independent institutions, both nonprofit and for-profit) accredited by an agency recognized by the U.S. secretary of education.

for a reduced fee, with a regional compact for the sole purpose of participating in the SARA initiative.) Except for that particular provision for states or territories that are not members of a regional compact, there are no direct charges or fees for a state to participate in SARA.

Development and initial implementation of NC-SARA and all SARA-related activities of the regional compacts are being funded by grants from Lumina Foundation (\$3 million over a two-year period) and the Bill & Melinda Gates Foundation (\$200,000). That funding extends through December 2015. Ongoing support for NC-SARA and for SARA-related work at the regional compacts will rely on institutional fees.¹

To ensure that the reciprocity agreement is administered uniformly across the country, a national board—NC-SARA—promotes the initiative nationally and coordinates the efforts of the regional compacts. NC-SARA has a staff of three FTEs. Each regional compact has about two FTEs working on SARA.

The regional compacts began inviting states to join SARA in early 2014. Because SARA is an agreement between states, almost all states need to change their laws in order to join. Although that is an often time-consuming process, as of mid-June 2015, 24 states have become members; more are expected to join in the coming months and years. Those who have been involved throughout the development of SARA are very pleased with its progress. (See Figure 2, which lists state actions as of mid-June 2015, and see www.nc-sara.org for up-to-date information on state actions regarding SARA.) An institution cannot participate in SARA unless its state joins. After a state joins, it must establish its rules and procedures and then begin to invite its SARA-eligible institutions to participate. As of late January 2015, there are 114 SARA institutions.

BENEFITS TO STUDENTS

- Expands access to educational offerings
- Should lead to better resolution of complaints from students in SARA states
- Reduces a rapidly growing institutional cost that is passed along to students
- Should enhance overall quality of distance education

BENEFITS TO INSTITUTIONS

- Enables more efficient provision of distance education to a broader market
- Reduces number of other-state regulations to continually monitor and track
- Reduces number of applications and individual state requirements
- Reduces costs:
 - Applications, surety bonds, agent licenses, etc.
 - Staff (payroll and time)
 - Reduced costs = potentially lower fees for students

BENEFITS TO STATES

- Expands educational offerings to state residents
- Allows SARA states to focus on their home-state institutions, rather than on institutions from many other states
- Maintains state regulation of on-the-ground instruction offered by out-of-state institutions
- Other SARA states will help resolve complaints (SARA states commit to resolving complaints about distance education offered by their institutions)
- Reduces costs for institutions, lessening this particular need to raise fees and thereby supporting affordability
- No direct cost to states

1 Institutional fees to participate in SARA are related to an institution's size and are set at \$2,000 per year for institutions with fewer than 2,500 FTE students, \$4,000 per year for institutions having 2,500 to 9,999 FTE students, and \$6,000 per year for institutions having more than 10,000 FTE students.

2 Applications for states to join SARA through their regional compacts and for institutions (from all sectors) to join SARA through their states are the same throughout the country. They are available at www.nc-sara.org.

WHAT ARE THE REQUIREMENTS FOR AN INSTITUTION TO PARTICIPATE IN SARA?

First, its state must become a member. The institution must then meet the following qualifications:

- It must be a degree-granting institution, offering awards at least at the associate degree level.
- It must be accredited by an accrediting body recognized by the U.S. secretary of education.
- The institution applies to its state's SARA portal agency to join SARA.²
- The institution's president or chief academic officer must affirm in writing that the institution meets and will continue to meet the [Interregional Guidelines for the Evaluation of Distance Education, Council of Regional Accrediting Commissions](#) (2011).
- The institution's president or chief academic officer must commit to other provisions specified in the [institutional application](#) (cooperating with the state to resolve student complaints, providing data regarding student enrollments, and other matters).
- If its state so requires, the institution pays a SARA participation fee to the state.
- Once approved by the state, the institution pays its fee to NC-SARA.
- The institution is then listed as a [SARA institution](#) on the NC-SARA website.

RESOURCES

NC-SARA website: www.nc-sara.org

Midwestern Higher Education Compact (MHEC): www.mhec.org

New England Board of Higher Education (NEBHE): www.nebhe.org

Southern Regional Education Board (SREB): www.sreb.org

Western Interstate Commission for Higher Education (WICHE): www.wiche.edu

Figure 1. Regional Compacts

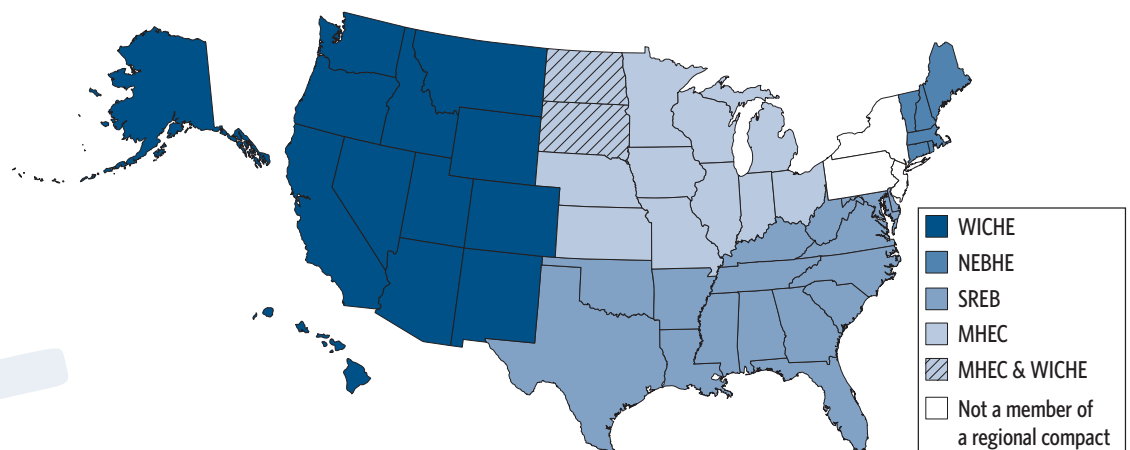


Figure 2. State Actions Regarding SARA

United States and Territories	Legislation Introduced	Legislation Passed	Application to regional compact	Approved as SARA state
Alabama (SREB)	✓	✓		
Alaska (WICHE)	✓	✓	✓	5/13/2014
American Samoa				
Arizona (WICHE)	✓	✓	✓	11/11/2014
Arkansas (SREB)	n/a	n/a	✓	
California (WICHE)	✓			
Colorado (WICHE)	✓	✓	✓	5/13/2014
Connecticut (NEBHE)	✓			
Delaware (SREB)				
District of Columbia				
Florida (SREB)				
Georgia (SREB)	n/a	n/a		
Guam				
Hawaii (WICHE)	✓	✓		
Idaho (WICHE)	n/a	n/a	✓	5/13/2014
Illinois (MHEC)	✓	✓		
Indiana (MHEC)	✓	✓	✓	2/21/2014
Iowa (MHEC)	✓	✓	✓	6/01/2015
Kansas (MHEC)	✓	✓	✓	11/16/2014
Kentucky (SREB)				
Louisiana (SREB)	✓	✓	✓	10/17/2014
Maine (NEBHE)	✓	✓		
Maryland (SREB)	✓	✓		
Massachusetts (NEBHE)				
Michigan (MHEC)	✓			
Minnesota (MHEC)	✓	✓	✓	1/26/2015
Mississippi (SREB)	✓	✓		
Missouri (MHEC)	✓	✓	✓	11/16/2014
Montana (WICHE)	n/a	n/a	✓	8/13/2014
Nebraska (MHEC)	✓	✓	✓	8/09/2014
Nevada (WICHE)	✓	✓	✓	5/14/2014
New Hampshire (NEBHE)	✓	✓	✓	12/15/2014
New Jersey				
New Mexico (WICHE)	✓	✓	✓	5/12/15
New York				
North Carolina (SREB)	n/a	n/a		
North Dakota (MHEC)	✓	✓	✓	4/03/2014
N. Marianas Islands (WICHE)				
Ohio (MHEC)	✓	✓	✓	3/2/15
Oklahoma (SREB)	n/a	n/a		
Oregon (WICHE)	✓	✓	✓	11/11/2014
Pennsylvania	✓			
Puerto Rico				
Rhode Island (NEBHE)	✓			
South Carolina (SREB)				
South Dakota (WICHE)	✓	✓	✓	11/11/2014
Tennessee (SREB)	✓	✓		
Texas (SREB)	✓	✓		
Utah (WICHE)	✓	✓		
Vermont (NEBHE)	✓	✓	✓	4/17/15
Virginia (SREB)	✓		✓	10/17/2014
Virgin Islands		✓		
Washington (WICHE)	✓	n/a	✓	5/13/2014
West Virginia (SREB)	n/a		✓	10/17/2014
Wisconsin (MHEC)		✓		
Wyoming (WICHE)	✓		✓	5/12/15

n/a: State has determined new legislation is not needed to enable participation in SARA.

North Dakota and South Dakota are members of both MHEC and WICHE; chart indicates SARA affiliation.

June 4, 2015