

# State Authorization Reciprocity Agreement (SARA)

## SARA Overview

SARA is a voluntary agreement among member states, districts and territories that establishes comparable national standards for interstate offering of postsecondary distance education courses and programs and is designed to reduce the burdens of state authorization.<sup>1</sup>

## Benefits and Concerns of Joining SARA

Benefits	Concerns
<ul style="list-style-type: none"><li>● Positions institutions to be in compliance with impending Federal Regulations tied to Title IV and Department of Defense funds</li><li>● Reduces costs – Estimated costs of full authorization for just online programs in all 50 states for the 8 public KY institutions is estimated at approximately \$2,100,000 in initial fees (collectively) and \$350,000 in renewal fees (collectively)</li><li>● Reduces a rapidly growing institutional cost that is in one way or another passed along to students</li><li>● Reduces risk of violating other state’s laws</li><li>● Eliminates requirement of releasing secure student data such as social security numbers and student financial aid data</li><li>● Eliminates state requirements of hiring agents to represent the institution</li><li>● Increases potential student base</li><li>● Increases student access to degrees</li><li>● Maintains reciprocity for students after SECRRRA is terminated</li></ul>	<ul style="list-style-type: none"><li>● Reduces availability of in-state locations for clinicals and practica as a result of placement of out-of-state students</li><li>● Reduces an institution’s potential student base as a result of in-state students enrolling in out-of-state programs</li></ul>

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<sup>1</sup> Adapted from the NC-SARA website: <http://www.nc-sara.org/content/basic-questions-about-sara>

## Detailed Summary of Recommendation

### Overview of State Authorization<sup>2</sup>

- State Authorization is a regulatory process whereby states require higher education institutions from other states to obtain the state’s approval before enrolling students, advertising, marketing, or performing other regulated activities in their state whether via distance education, practical or clinical experiences, or other face-to-face activities (e.g. student services, proctored exams, etc.).
- The requirements as to which activities require authorization, the application processes, and the costs to comply vary greatly from state-to-state.

### Overview of SARA

- The State Authorization Reciprocity Agreement (SARA) is a voluntary agreement among member states, districts and territories that establishes comparable national standards for interstate offering of postsecondary distance education courses and programs and is designed to reduce the burdens of state authorization.<sup>3</sup>
- SARA operates according to a “driver’s license model”: an individual state approves its own in-state institutions to operate; that approval is respected by the other states participating in SARA
  - The SARA agreement covers both online learning and face-to-face components of campus-based programs (e.g. a clinical for an MD student doing a medical rotation in an out-of-state hospital)
- Acknowledges the traditional roles within higher education’s “accountability triad”: federal government, states, and accrediting bodies recognized by the U.S. Department of Education.
- Lays out a framework for state-level reciprocity, including a governance structure, implementation by the four regional higher education compacts (MHEC, NEBHE, SREB, WICHE), a National Council for SARA to ensure comprehensive national coverage, and a financial plan to support operations
- Requires states to approve their in-state institutions for SARA participation (based upon institutional accreditation and financial stability) and resolve student complaints.
- SARA states agree to impose no additional (non-SARA) requirements on institutions from other SARA states
- Open to degree-granting postsecondary institutions from all sectors: public colleges and universities; independent institutions, both non-profit and for-profit accredited by a U.S. Department of Education approved accreditor

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<sup>2</sup> Adapted from the WCET website: <http://wcet.wiche.edu/learn/issues/state-authorization>

<sup>3</sup> Adapted from the NC-SARA website: <http://www.nc-sara.org/content/basic-questions-about-sara>

- Participating institutions will agree to follow the [Interregional Guidelines for the Evaluation of Distance Education Programs \(Online Learning\)](#) for best practices in postsecondary distance education developed by leading practitioners of distance education and adopted by the [Council of Regional Accrediting Commissions \(C-RAC\)](#)
- Sets forth a reasonable, uniform set of triggers of “physical presence”
- Preserves state approval and oversight of on-the-ground campuses
- SARA is overseen by a National Council (“NC-SARA”) and governed by the National Council board, comprised of the chief executive officers of the four regional compacts, members of regional and national accreditation agencies as well as officers of educational institutions, state regulators, state attorneys general, state higher education executive officers, and state legislators
- The four higher education regional compacts (SREB, MHEC, WICHE, NEBHE) implement SARA within their own jurisdictions<sup>4</sup>
- Individual states may join SARA by applying for membership through their respective higher education regional compact (SREB, MHEC, WICHE, NEBHE)
  - In order to join, a state as a whole must apply, meaning all institutions potentially eligible to join SARA must be able to join under state law and regulation
  - In Kentucky, there are 3 groups of institutions that would be SARA eligible: Public institutions authorized to operate in Kentucky specifically by statute, institutions licensed by the Council on Postsecondary Education (“Council”), and institutions licensed by the Commission on Proprietary Education (“Commission”)
  - As such, legislation is likely required in order for Kentucky to join to exempt institutions from SARA participating states from the existing rules for licensure by both the Council and the Commission.
- Individual states will approve their home state institutions (based upon institutional accreditation and financial stability) for participation in SARA and will resolve student complaints against their home state institutions.
  - CPE would need to be authorized under state law to enter an interstate agreement, which would require legislative action
- CPE has raised concerns about allowing institutions to operate in Kentucky under the potentially reduced faculty standards required for SARA participation.
  - CPE raised these standards in its licensure regulation effective December 2013
- In addition, while SARA requires that states maintain responsibility for processing consumer complaints, it is currently unclear whether certain consumer protection mechanisms maintained as a requirement for licensure in various states (surety bond coverage, consumer protection funds, etc.) will be afforded to Kentucky students attending an out of state institution operating in Kentucky through SARA.

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<sup>4</sup> Pennsylvania, New Jersey, New York and Washington, D.C. are not part of regional compacts but may join under the auspices of SARA

## SARA Membership Fees

- Fees for an institution to participate in SARA potentially consist of two parts:
  - First: a required annual SARA fee paid to the National Council for SARA based on an institution's total full-time equivalent (FTE) enrollment
    - \$6,000/year for institutions with 10,000 or more FTE
    - \$4,000/year for institutions with 2,500 - 9,999 FTE
    - \$2,500/year for institutions with 2,500 FTE
  - Second: States have the option of charging SARA participant institutions a fee to cover the state's costs in administering SARA
    - Range currently from \$0 - \$40,000, with the average around \$5000 and median around \$2000

## What SARA Covers<sup>5</sup>

- Offering instruction through pure online format
- Advertising
- Recruiting (e.g., hosting or attending recruitment fairs)
- Contractual agreements
- Courses on military installations (limited to active and reserve military personnel, dependents, and civilian employees of the military installation)
- Faculty residences
- Field trips
- Proctored exams
- Operation of a server or other electronic service device
- Short courses of 20 contact hours or less
- Courses which involve in person meetings between instructor(s) and students for two or fewer times for a total of no more than six hours

## What SARA Doesn't Cover

- Authorization of institutions that own or lease a building in another state
- Field experiences placing more than 10 students in one location secured by multiyear contracts
- Professional licensing board approval (nursing, law, social work, medicine, teaching, dentistry, psychology, etc.)
- States that choose not to join SARA
  - Individual institutions will still need to seek authorization in these states according to current state authorization regulations if the institutions continue triggering physical presence (such as allowing students to enroll in clinicals and internships in a non-member state; advertising directly to students in a non-member state; providing distance education in a non-member state, etc.)
- Non-credit instruction is not explicitly covered

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<sup>5</sup> <http://publications.sreb.org/2014/NCSARASTateImplementationGuide.pdf>