

# **New England State Authorization Reciprocity Agreement (NE-SARA)**

**Endorsed by the NC-SARA Board, Nov. 1, 2013**

**New England Board of Higher Education  
45 Temple Place  
Boston, MA 02111**

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## **1 – PURPOSES**

**1.1** This agreement specifies the conditions and requirements for the implementation of a nationwide State Authorization Reciprocity Agreement (SARA), as set forth in Section III, “Findings, Principles and Recommendations,” in the final report of the Commission on the Regulation of Postsecondary Distance Education (CRPDE).<sup>1</sup>

The Commission described the conditions related to distance education in the U.S. and set forth the legal, regulatory and policy backgrounds—both state and federal—related to the authorization of online learning (See CRPDE, Section I, p. 6 and pp. 7-9). As stated in the Commission’s report, the purposes of this Agreement are to:

- Address key issues associated with appropriate government oversight, consumer protection, and educational quality of distance education offered by U.S. institutions.
- Address the costs and inefficiencies faced by postsecondary institutions in complying with multiple (and often inconsistent) state laws and regulations as they seek to provide high-quality educational opportunities to students in multiple state jurisdictions.

**1.2** Acceptance of the terms of this Agreement, as authorized by formal action or statute by appropriate state entities, permits a state to voluntarily and formally participate in the nationwide State Authorization Reciprocity Agreement (SARA) through the New England Higher Education Compact and its operating agency, the New England Board of Higher Education (NEBHE).

## **2 – CORE CONDITIONS FOR INTERSTATE RECIPROCITY**

### **2.1 Voluntary Participation of States and Institutions**

Interstate reciprocity is based on the voluntary participation of states<sup>2</sup> and of institutions based on a consistent set of standards for state authorization that ensure that institutions can deliver distance-education programs in multiple states, provided they meet specific criteria relating to institutional quality, consumer protection and institutional financial responsibility (as described herein).

An institution can participate in SARA only if the state that is designated as its home state chooses to participate. Likewise, institutions may voluntarily opt to not participate in the agreement, foregoing the provision of education services beyond the boundaries of their home state or seeking authorization to operate in other states through existing means.

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<sup>1</sup> “Advancing Access through Regulatory Reform: Findings, Principles, and Recommendations for the State Authorization Reciprocity Agreement (SARA),” Final Report of the Commission on the Regulation of Postsecondary Distance Education, April 2013. Available at:

<http://www.sheeo.org/resources/publications/final-report-distance-education-commission-advancing-access-through>

<sup>2</sup> “State” means any state, commonwealth, district or territory of the U.S.

This agreement applies only to educational services provided by institutions outside their home-state boundaries, and does not affect the regulations or processes states use to authorize institutions to operate within the state—or to exempt institutions from such oversight.

## **2.2 Eligible Institutions**

Subsequent to voluntary home-state participation in this agreement, all institutions with the following characteristics are eligible to participate:

- **Postsecondary:** The institution provides education beyond high school.
- **Institution:** The institution is a college, university or other postsecondary institution (or collection thereof) that operates as a single entity and which has an institutional identification (OPEID) from the U.S. Department of Education. This includes public, nonprofit private and for-profit institutions.
- **Degree-granting:** The institution is authorized to offer postsecondary degrees at the associate level or above.
- **Accredited:** The institution is accredited by an accreditation agency that is federally recognized to accredit distance-education programs.
- **Authorized:** The institution is authorized to offer postsecondary degrees in the state that it has designated as its home state or primary legal domicile for the purposes of this agreement.

“Exempt” institutions, which are not required by state law or regulation to seek approval to operate within the state based on certain criteria, must obtain approval from the home state to participate in this agreement. Such state oversight will be limited only to the purposes and terms of the agreement.

## **2.3 Regional Approach**

Interstate reciprocity requires an infrastructure for communication and collaboration among states and across the nation. The four existing regional higher education compacts will manage state participation in the agreement, limiting costs, utilizing existing structures and utilizing established relationships. The majority of states currently belong to one of the four existing regional compacts: NEBHE, the Midwestern Higher Education Compact (MHEC), the Southern Regional Education Board (SREB) and the Western Interstate Commission for Higher Education (WICHE).

States will opt into SARA through their existing participation in regional compacts. States that are not members of a regional compact (New Jersey, New York, Pennsylvania and all of the U.S. territories and protectorates) can apply for membership in a regional compact for the limited purpose of participating in SARA. These “non-affiliate” states, and their participating institutions, must meet the same requirements as all participating states and institutions. Non-affiliate states must also pay a \$50,000 annual fee to participate in the reciprocity agreement.

## **2.4 Definition of Physical Presence**

States must adopt a common definition of physical presence to decrease complexity for institutions and to clarify state oversight responsibilities. For purposes of SARA, the definition of “physical

presence" is limited to the ongoing occupation of an actual physical location for instructional purposes or the maintenance of an administrative office to facilitate instruction in the state.

**2.4.1** Institutional activities in a state that meet the definition of physical presence, as defined here, permit but do not obligate a state to require an institution to seek authorization from the state, for the general authority to offer instruction within that state.

For purposes of the interstate reciprocity agreement, institutions delivering only distance-education courses (online, through the U.S. Mail or a similar delivery means) and conducting no other activities in a state are not deemed to be physically present. These institutions, therefore, are required to seek authorization for purposes of interstate reciprocity only from their home state, as outlined in Section 5 and Section 7 of this agreement.

Other institutional activities that will ***not*** trigger physical presence requirements under this agreement include:

- Advertising through print, billboard, direct mail, Internet, radio, television or other media;
- Recruiting;
- Contractual arrangements in states (e.g., procurement contracts or online academic offerings provided through consortia agreements);
- Courses on military installations by an accredited institution, limited to active and reserve military personnel, dependents of military personnel, and civilian employees of the military installation;
- Faculty, adjunct faculty, mentors, tutors, recruiters or other personnel residing in the state, provided that those staff are not engaged in activities that would otherwise constitute physical presence as defined by this agreement;
- Field trips;
- Proctored exams held in the state;
- Operation of a server or other electronic service device;
- Short courses or seminars (20 classroom hours or less, or the equivalent thereof);
- Full-term courses in which the instructor and students physically meet together for no more than two meetings, totaling less than six hours;
- Experiential learning opportunities, such as a clinical, practicum, residency, or internship, provided that:
  - The institution has already obtained all the necessary professional and licensure approvals necessary (if any) to conduct the learning opportunity in the state, and
  - Only 10 students from each institution are physically present simultaneously at a single field site, and
  - There is no multiyear contract between the institution and the field site.

For purposes of this agreement, any of the following activities in a host state are not covered by this agreement, as they constitute a physical presence. Thus, an institution would be subject to the laws and regulations of each state in which it conducts these activities:

- Establishing a physical location in a state for students to receive synchronous or asynchronous instruction; or
- Requiring students to physically meet in a location in the state for instructional purposes as

required for the course; or

- Establishing an administrative office in the state, including:
  - Maintaining an administrative office in the state for purposes of providing information to prospective students or the general public about the institution, enrolling students or providing services to enrolled students;
  - Providing office space to instructional or non-instructional staff; or
  - Establishing an institutional mailing address, street address or phone number in the state.

(See Appendix 1 for a summary of determinants of physical presence under SARA.)

## **2.5 Home-State Designation and Responsibilities**

To participate in SARA, institutions must be reviewed and authorized by their home state, which is the institution's state of legal domicile. The entity or agency designated by the home state is responsible for authorizing the institution for purposes of SARA and serves as the default forum for consumer complaints.

By agreeing to participate in SARA, the home state accepts the obligation and assures its capacity and authority—whether through law or mutually accepted, binding contractual agreements with constitutionally autonomous institutions—to evaluate and certify institutional compliance with quality standards detailed herein and to receive and resolve consumer complaints. Specific state responsibilities related to SARA are further described in Section 4.

The home state has a right to oversee its home-state institutions and the in-state activities of institutions that have physical presence in its borders as the home state sees fit.

## **3 - ROLES AND RESPONSIBILITIES OF REGIONAL COMPACTS**

**3.1** NEBHE and the other three regional compacts agree to adhere to the standards and responsibilities involved in SARA. These include a process for reviewing and admitting states to the agreement. NEBHE will ensure that states that join through its auspices have both the authority and functional capacity to adhere to the requirements of SARA.

Each regional compact will operate the agreement under its bylaws and in a manner consistent with the programs and activities under its control. The compacts will work together, and with the affiliate and non-affiliate states and territories, to harmonize the respective State Authorization Reciprocity Agreements to ensure the combined agreements cover the entire nation.

**3.2** NEBHE will accept state applications to join the agreement and will review and admit states that have adopted appropriate legislation or regulations and that demonstrate capacity to certify institutional compliance with SARA requirements.

**3.3** NEBHE and the other regional compacts will oversee implementation and execution of SARA in their respective regions and will:

- Develop processes for informing states of the requirements and processes for joining;
- Review and approve (or reject) state applications for participation;
- Monitor participating states' compliance with SARA, including admitting, performing a biennial review of, and expelling states from the agreement;
- Sanction and outline corrective actions for states that fail to meet the requirements for participation;
- Dismiss any states that fail to respond to concerns and plans for improvement;
- Provide a process for appeal in the event that a state disagrees with the compact's decisions;
- Maintain a comprehensive public list, easily accessible to students via the regional compact's website, of states and institutions that are part of the agreement;
- Facilitate the agreement's continued growth and expansion to more participating states;
- Constitute and operate a Regional Steering Committee (RSC, see Section 8);
- Represent the needs, interests and concerns of its respective states and institutions in the deliberations and decision-making of the National Council for State Authorization Reciprocity Agreements (NC-SARA, see Section 8).

#### **4 - ROLES AND RESPONSIBILITIES OF PARTICIPATING STATES**

States must demonstrate that state law and policy have been enacted or amended to meet the standards of this agreement. While participating states must meet the same standards, they have flexibility in how they do so. For example, one state may choose to investigate student complaints through the state higher education agency while another may utilize its consumer protection agency. States are encouraged, but not required, to use existing structures and agencies.

##### **4.1 Core Conditions for State Participation**

To participate in the agreement, a state must specifically demonstrate that:

**4.1.1.** State law includes a reasonable definition of physical presence, for purposes of interstate reciprocity, which clearly states which activities do and do not trigger state authorization. The state definition of physical presence should not materially deviate from the definition offered in Section 2 and should not classify any of the non-triggering activities identified in Section 2 as triggers for physical presence for institutions participating in SARA.

**4.1.2.** State law allows participation in the reciprocity agreement.

States must take appropriate steps to ensure that state law or regulation explicitly allows the designated to undertake the requirements of the reciprocity agreement. Additionally, states that do not currently belong to a regional compact and wish to participate in the regional compact must join a compact for the limited purpose of participating in the agreement.

**4.1.3.** The state is able to receive applications for participation in the reciprocity agreement and to review and authorize institutions on an annual basis.

States must establish a process to admit institutions into the reciprocity agreement that will require a review of the institution's accreditation status, consumer protection disclosures and financial

viability. This review must be conducted on an annual basis. The state should also be prepared to provide an appeals process for institutions that are not approved for participation in the agreement.

**4.1.4.** A state agency (or multiple agencies) has been designated to receive, investigate and resolve student complaints regarding institutions authorized under the agreement.

Under this agreement, the state agrees to serve as the default forum for any complaint filed against an institution authorized by the state to participate in reciprocity. Therefore, a state agency (or multiple agencies) must be empowered to investigate and resolve complaints that may originate outside the state.

The state must further demonstrate that:

- It has adequate processes and capacity to act on formal complaints and concerns that are registered with the designated state agency regarding institutions from the state that it has authorized under the terms of this agreement. This includes:
  - Ability to demonstrate that consumers (including students and employers) have adequate access to information regarding complaint processes.
  - Ability to document: 1) All formal complaints received; 2) Complaint notifications provided to institutions and accrediting agencies; 3) Actions taken that are commensurate with the severity of violations; and 4) Complaint resolution.
- It will promptly report complaints and concerns to the institutions about which the complaint is lodged and, if needed, to the appropriate accrediting bodies.
- It will be guided, in complaints or concerns regarding academic standards, by guidelines for the evaluation of online learning adopted by the Council of Regional Accrediting Commissions (C-RAC), composed of all regional accrediting associations.
- It has processes for conveying to designated SARA entities in other states any information regarding complaints against institutions operating within the state under the terms of this agreement, but which are domiciled in other reciprocity state.
- It has clear and well-documented policies for addressing catastrophic events. Specifically:
  - In the event of the closure of an institution, the state has processes to ensure that students receive the services for which they pay, or reasonable financial compensation for those not received. This may include tuition assurance funds, surety bonds, teach-out provisions or other practices deemed sufficient to protect consumers.
  - The state requires institutions to have adequate disaster recovery plans, including protection of student records, or that the state provides such a plan.

**4.1.5.** The state has eliminated fees, requirements for a refund policy unique to that state, requirements for a set curriculum for general education requirements, a mandatory number of hours for a degree or certificate, and other such requirements for out-of-state institutions that do not have physical presence in their borders and are participating in the interstate reciprocity agreement.

**4.1.6** This agreement provides uniform standards for distance education across states and eliminates the need for participating states to assess the quality of out-of-state institutions through the traditional authorization process. Therefore, states will not demand that institutions participating in the agreement meet additional requirements before serving students in the state.



**4.1.7** The state will not impose fees or other requirements on participating out-of-state institutions that were properly authorized by another state to provide distance education under the reciprocity agreement. However, institutions with physical presence in states beyond their home state may be subject to fees or other program requirements by the states in which they have physical presence, as those states determine as to their in-state activities.

**4.1.8** Once reviewed and admitted by the appropriate regional compact, states must notify institutions that are eligible to designate them as their home state about SARA and its terms, requirements and potential benefits.

**4.2** States will review and authorize institutions that elect to participate in SARA and which meet the standards and requirements detailed in Section 7. Further, when a state has authorized an institution to participate in SARA, it must:

- Notify the regional compacts in a timely manner of the institutions that it has admitted to the agreement;
- Review and reauthorize participating institutions on an annual basis;
- Monitor the compliance of authorized institutions with requirements regarding institutional quality, consumer protection and fiscal viability (as described in Section 7 and Appendix 2);
- Take appropriate action against an authorized institution if that institution fails to comply with those standards and requirements, which may include an investigation, citation, suspension or expulsion from the interstate reciprocity agreement; and
- Notify the relevant regional compact in a timely manner of any adverse action taken against an institution related to the interstate reciprocity agreement.

## **5 - ROLES AND RESPONSIBILITIES OF PARTICIPATING INSTITUTIONS**

**5.1** In states that have been accepted into SARA, institutions that wish to participate in SARA will apply to their home state, via the designated state agency, for review, certification and admission into the agreement.

**5.2** To achieve the purposes and maintain the integrity of the agreement, institutions must demonstrate and certify to the designated state entity, on an annual basis, that the institution complies with all of the standards and requirements of the agreement, as set forth in Section 7. This includes certification of the institution's compliance with guidelines for the evaluation of online learning adopted by the Council of Regional Accrediting Commissions (C-RAC, See Appendix 2).

**5.3** The interstate reciprocity agreement will be triggered for participating institutions when out-of-state students enroll in the institution's distance-education courses. Students must be informed that the institution is authorized to offer those courses through SARA, using a symbol on the institution's website or a standard statement that is used by participating institutions.

## **6 - ROLES AND RESPONSIBILITIES OF ACCREDITING AGENCIES**

**6.1** To implement the interstate reciprocity agreement, accrediting agencies that are federally recognized to accredit distance-education programs should provide confirmation, when requested by the state, about the accreditation status of institutions seeking to participate in the agreement.

**6.2** To maintain the agreement, accrediting agencies should consider the unique facets of distance education as part of a comprehensive review of institutional quality and revisit and revise their standards as needed to reflect changes and innovations in distance education.

**6.3** In light of the reliance of states and institutions on accreditation as the primary means of quality assurance and to increase awareness of accreditation processes and decisions, all regional, national and programmatic accreditors are urged to provide, on a timely basis, to relevant home-state agencies and to the appropriate regional compact a summary to relevant states of adverse actions with regard to distance education taken relative to institutions or programs.

## **7 - CRITERIA FOR STATE AUTHORIZATION AND OVERSIGHT OF INSTITUTIONS**

The following standards and criteria will guide an institution's demonstration to the designated home-state entity of its SARA compliance and the state entity's review and certification of the same.

### **7.1 Accreditation and Institutional Quality**

A. Based on an accreditors' compliance with federal regulations and its specific review of distance education using accepted quality standards, states must accept institutional accreditation (including accreditation for offering distance-education programs) by a federally recognized accreditor as a sufficient demonstration of academic quality in distance-education programs offered in the state under SARA.

B. Institutions seeking authorization to participate in SARA must demonstrate institutional quality by certifying accreditation by an accreditation agency that is federally-recognized to accredit distance-education programs to the designated home-state entity. States must confirm an institution's accreditation status with the institution's accrediting agency.

### **7.2 Consumer Protection**

Current and prospective students need access to accurate, complete and current information about institutions and their programs. This information is disclosed or publicly reported to fulfill Title IV and accreditation requirements. If an institution does not participate in Title IV, it must provide the information to the designate home-state SARA entity, as well as post all information required for Title IV participation on its website.

#### **7.2.1 Disclosure and Reporting Requirements**

An institution must demonstrate to the designated home state entity that it provides to current and prospective students (and, where applicable, to the U.S. Department of Education) the information required for Title IV disclosures and reporting. This includes current required disclosures and

reporting requirements, as well as any future requirements that the department may adopt. This includes, but is not limited to:

**A. Recruitment, Marketing and Other Institutional Disclosures.** The institution must demonstrate and affirm the veracity and adequacy of recruitment materials, marketing efforts, other institutional disclosures and professional conduct, including:

- Providing full information about institutional and program requirements in formats easily understood and accessible to prospective students and the public;
- Ensuring that program advertisements and promotional information include all special or exceptional program requirements;
- Ensuring that graduate job placement and salary information are accurate and supported by evidence;
- Providing information on programs preparing students for licensed professions, including explicit statement of whether the program, including clinical or experiential practice, meets licensure standards in all states in which the institution enrolls students;
- Monitoring and accepting responsibility for the professional conduct of recruiting and marketing staff; and
- Disclosing institutional and program accreditation status, including the meaning of accreditation status and the accreditor's contact information.

**B. Tuition, Fees, and Other Charges.** The institution must demonstrate that it:

- Discloses all tuition, fees and other costs associated with attendance, including program-specific information;
- Publishes clear policies and practices regarding refunds to students, including deadlines and amounts;
- Provides accurate and complete information about available financial aid, including all forms of aid (grants, scholarships, loans, work-study, etc.) and their sources (institutional, private philanthropic, state, federal, etc.).

**C. Admissions.** The institution must demonstrate that it:

- Publishes clear and comprehensive requirements for admission to all programs resulting in a certificate, degree or diploma;
- Provides reasonable assurance that admitted students have the capacity to succeed in their respective program(s).

### **7.2.2 Complaint Mechanisms**

A. The home state will receive and resolve consumer protection complaints filed against institutions that it has reviewed and authorized for purposes of SARA. In so doing, the state may not limit the jurisdiction of other involved states (e.g., the student's home state), but will serve as the default forum for student complaints. Other states and accrediting agencies will also be free to receive and resolve consumer complaints.

B. To respond effectively to complaints and ensure transparency, states must report complaint

histories to participating states and accrediting agencies involved in SARA.

C. Additionally, given that accreditation is the primary means of quality assurance, all regional, national and programmatic accreditors are urged to provide to relevant home-state agencies and the general public, on a timely basis, summaries of adverse actions regarding distance education, the accreditation status of a distance education program and of an institution as a whole.

D. An institution must demonstrate to the designated home-state entity that it provides enrolled students with clear information about how to file a complaint. At minimum, the institution will provide this information on its website and directly to students when they enroll in a distance-education program authorized through SARA.

Specifically, the institution must demonstrate that it has:

- Easily understood and clearly published procedures for lodging complaints with the institution, state authorization entities, accrediting agencies, or other entities;
- Procedures to ensure that institutional complaint resolution processes are exhausted prior to elevating to a state authorization or other entity;
- Processes within for responding appropriately to complaints and documenting their resolution; and
- Processes to report formal complaints and their resolution to the state authorization entity.

### **7.3 Institutional Financial Responsibility**

A. Public institutions, consistent with U.S. Department of Education policies, are presumed to be financially responsible by virtue of their status as state institutions with the financial backing of their state, subject to filing requirements of the department to demonstrate "past performance and affiliation standards."

B. A private, nonprofit or for-profit institution will demonstrate sufficient financial strength, for initial authorization and ongoing review, through one of the following means:

1. The institution is eligible for federal Title IV student financial aid programs *and* the U.S. Department of Education, for the institution's most recent fiscal year for which data is available, has not determined it to have a financial responsibility composite score below 1.5. (Only institutions with composite scores of 1.4 or lower are currently notified of their scores.)
2. The institution is otherwise eligible for federal Title IV student aid programs, has a financial responsibility composite score of 1.0-1.5, and the designate home-state entity has determined, upon examination of additional financial information, that either the institution has sufficient financial strength for SARA authorization *or* that the score between 1.0 and 1.5 results from an accounting error or the misapplication of generally accepted accounting standards in calculating the score.

C. The state should use the method described in section B(2) for two consecutive years to determine

financial responsibility, assuming that the institution remains eligible for Title IV student aid programs.

D. A private, nonprofit or for-profit institution should no longer be eligible if in the third year its composite score remains below 1.5, even if the institution remains eligible for Title IV programs.

E. A private, non-profit or for-profit institution that loses its authorization to participate in SARA under requirement 7.3 (D), but remains eligible to participate in federal Title IV student aid programs, will meet the financial responsibility requirements of SARA if and when the U.S. Department of Education determines that the institution no longer has a financial responsibility composite score below 1.5.

F. An institution that desires to participate in SARA, but which does not have a federal composite financial responsibility score because it does not participate in federal Title IV programs, must be determined by the home-state authorizing entity to be financially responsible, based on audited financial information and calculations comparable to those used by the U.S. Department of Education.

## **8 - GOVERNANCE AND FINANCE**

### **8.1 National Council for State Authorization Reciprocity Agreements (NC-SARA)**

The National Council for State Authorization Reciprocity Agreements (NC-SARA) was established in September 2013. It serves as the primary SARA oversight body and will work to:

- Maintain a limited role within the overall governance of SARA, communicate information to the field, and provide stakeholder representation;
- Ensure efficient implementation, monitor effectiveness and provide structure to coordinate efforts between the four regional compacts;
- Maintain inter-regional alignment, including equivalence between the respective regional SARA agreements;
- Establish mechanisms to resolve disputes between regional compacts about interpretation and enforcement of the agreement;
- Ensure that each regional compact and its steering committee adequately oversee their respective participant states;
- Harmonize procedures among the regions to make the reciprocal recognition of SARA authorization as seamless and uniform as possible;
- Facilitate regular information gathering and exchange among the four regional compacts regarding participation and compliance;
- Advocate for the expansion of SARA;
- Hold meetings at least twice per year;
- Produce an annual report on the state of SARA; and
- Be accessible to the higher education community at large to address concerns and questions and to review appeals from states expelled from the agreement by their regional compact.

### **8.2. NC-SARA Membership and Selection**

NC-SARA will be composed of an odd number of members representing the full spectrum of the higher education community. The following principles guide the membership of the board:

- NC-SARA members will come from the range of impacted groups to ensure a wide range of support as the interstate reciprocity agreement is promoted and implemented, while taking into consideration the need for those groups to have a permanent voice;
- Members will be drawn from all institutional sectors (including large- and small-scale distance-education providers), regional and national accreditation agencies, and state officials including state regulators, state attorneys general, and state higher education executive officers;
- NC-SARA board members will be selected based on their knowledge of the field, ability to work across multiple perspectives, and commitment to the collaborative work and success of the national coordinating board, consistent with the principles set forth herein.
- The presidents of regional compacts (or their designees) are voting members with an important but not a controlling role (i.e., a regional compact representative can be the vice chair, but not the chair); and
- Members will have staggered terms and term limits.

NC-SARA will also include one representative of the Presidents' Forum of Excelsior College and one representative of the Council of State Governments—organizations that have contributed substantially to the development of the state reciprocity concept.

Up to five additional members will be selected by the members of the nationwide coordinating board to represent communities of interest in this agreement that have not been included naturally through the selection process outlined above, including state authorizing entities, accreditors, institutions from all sectors, relevant national organizations and state and federal governments.

(A diagram summarizing the relationship of NC-SARA to the regional compacts and Regional Steering Committees is included in Appendix 3.)

### **8.3 Regional Steering Committee (RSC)**

NEBHE and the other regional compacts will establish Regional SARA Steering Committees to evaluate and determine whether states demonstrate adequate capacity and sufficient standards for authorization and oversight of institutions participating in SARA. In collaboration with NC-SARA, the RSCs will establish and disseminate criteria for state participation and will amend such criteria, as appropriate, over time.

A state seeking to participate in its region's SARA program will submit a plan of how it will meet the criteria for participation. (A detailed summary of the requirements related to states' voluntary application and participation is included in Appendix 4.) The RSC will review the plan and work iteratively with the state on revisions until the RSC is able to recommend approval by the respective compact's commissioners or delegates.

The RSC will also recommend other procedural details and actions regarding SARA participation to the respective compact's commissioners or delegates. The regional compact's delegates will also determine the terms of service of steering committee members.

The NEBHE Regional Steering Committee will be composed of:

- Up to seven members (with at least one from each New England state) selected by the NEBHE delegates from a slate developed by NEBHE's chief executive officer. These individuals will represent various stakeholders and communities of interest. These include, but are not limited to: state regulators, accreditors, institutions from all sectors of higher education and state government;
- One representative from each participating state, selected by the NEBHE delegates from that state, upon the approval of that state's application for participation;
- The NEBHE president and CEO, ex officio; and
- Non-affiliated states that choose to join for SARA purposes will be entitled to one representative on the NEBHE steering committee.

#### **8.4 Finance**

To finance expenses related to the establishment and ongoing activities related to SARA, NC-SARA is given authority to set and collect fees from institutions in participating states and that have been authorized by the appropriate home-state entity.

These fees will be managed and distributed by NC-SARA based on the following principles:

- Participating institutions will pay an annual fee directly to NC-SARA;
- The SARA fee will be standardized across all regions;
- SARA fees must be adequate to fund operational expenses associated with this Agreement—including NC-SARA, the SARA-related work of the regional compacts and their Regional Steering Committees;
- Fee should be low enough to encourage institutional participation;
- With input from regional compacts and participating states and institutions, NC-SARA will annually approve and publish a SARA fee schedule for institutions;
- Fees will be assessed on a graduated scale, based on institutional enrollment; and
- The fee scale, schedule and any formulas to determine enrollment will be authorized by NC-SARA.

Participation in SARA does not infringe upon the right of any member state to charge fees to its home-state institutions to cover the costs associated with review, approval and monitoring of operations related to the terms of this agreement. The home state shall retain all such fees.

Non-affiliated states must pay a \$50,000 annual fee to participate with one of the regional compacts in the reciprocity agreement.

## **9 - AMENDMENT**

This agreement may be amended to respond to the needs of NC-SARA, the regional compacts, the regional steering committees, states, institutions, accreditors, students or other key stakeholders. It will also respond to changes and issues related to distance education to ensure the timely, effective and ongoing operation of SARA.

Participating states and institutions will have the opportunity to review, provide feedback and voluntarily consent to changes by effectuating a revised or updated agreement.



**10 - CERTIFICATION AND ACCEPTANCE OF TERMS**

The State (or Commonwealth) of \_\_\_\_\_ accepts the terms of this Agreement to voluntarily and formally participate in the nationwide State Authorization Reciprocity Agreement (SARA) through the New England Higher Education Compact and its operating agency, the New England Board of Higher Education (NEBHE).

As an authorized representative of the aforementioned state, I certify that state law and policy have been enacted or amended to meet the standards specified in this state authorization agreement. I further certify that the state has designated an appropriate entity (or entities) to execute, and be accountable for, the aforementioned obligations and activities and in reviewing and certifying institutional compliance with specified terms.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Office or Title \_\_\_\_\_

Date \_\_\_\_\_

On behalf of the New England Board of Higher Education:

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Office or Title \_\_\_\_\_

Date \_\_\_\_\_

## 11 - INQUIRIES

For further information related to this State Authorization Reciprocity Agreement (SARA), please contact:

Kiley Danchise-Curtis, SARA Coordinator  
New England Board of Higher Education  
45 Temple Place  
Boston, MA 02111  
617.357.9620 x 103  
[sara@nebhe.org](mailto:sara@nebhe.org)

## Appendix 1: Summary of Activities Related to the Determination of Physical Presence Under SARA

<b>Activities that Trigger Physical Presence in a State</b> <i>Participating states may require institutions that perform these activities to seek authorization for in-state activities.</i>	<b>Activities that DO NOT Trigger Physical Presence</b> <i>Participating states may not require institutions that perform only these activities to seek authorization for in-state activities.</i>
<ul style="list-style-type: none"> <li>• On-going occupation of physical location for instructional purposes</li> <li>• Maintenance of an administrative office to facilitate instruction</li> </ul>	<ul style="list-style-type: none"> <li>• Offering instruction through pure online format</li> <li>• Advertising</li> <li>• Recruiting (e.g., hosting or attending recruitment fairs)</li> <li>• Contractual agreements</li> <li>• Courses on military installations (limited to active and reserve military personnel, dependents, and civilian employees of the military installation)</li> <li>• Faculty Residing in the state</li> <li>• Field Trips</li> <li>• Proctored Exams</li> <li>• Operations of server or electronic service device</li> <li>• Short course or seminar takes no more than 20 classroom hours and a portion of a full-term course for which no more than two meetings, totaling less than six hours, takes place in a setting where the instructor and students physically meet together</li> <li>• Experiential learning opportunities (provided certain conditions are met, as described in Section 2.4)</li> </ul>

## **Appendix 2: Summary of C-RAC Guidelines Related to the Evaluation of Distance Education**

### **Council of Regional Accrediting Commissions Standards for Distance Education Revised 2011**

The Interregional Guidelines for the Evaluation of Distance Education (Online Learning) were developed by the Council of Regional Accrediting Commissions (C-RAC) to assist institutions in planning distance education and to provide an assessment framework for institutions already involved in distance education. They are based on two documents: a 2006 report prepared by the U.S. General Accounting Office, *Evidence of Quality in Distance Education Drawn from Interviews with the Accreditation Community*, and *Best Practice Strategies to Promote Academic Integrity in Online Education*, prepared by the Western Interstate Commission for Higher Education Cooperative for Educational Technologies (WCET). These standards are now incorporated in the requirements of all regional accrediting associations.

The Guidelines comprise nine hallmarks of quality for distance education. In their discussions of how their distance education programming fulfills their accreditor's standards, institutions are asked to include evidence of the extent to which they meet these hallmarks. Examples of the types of evidence that institutions might use are given below. These lists are not meant to be exhaustive; it is likely that institutions will include additional types of evidence in their reports.

#### **1. Online learning is appropriate to the institution's mission and purposes**

*Analysis/Evidence:*

- The mission statement explains the role of online learning within the range of the institution's programs and services;
- Institutional and program statements of vision and values inform how the online learning environment is created and supported;
- As appropriate, the institution incorporates into its online learning programs methods of meeting the stated institutional goals for the student experience at the institution;
- The recruitment and admissions programs supporting the online learning courses and programs appropriately target the student populations to be served;
- The students enrolled in the institution's online learning courses and programs fit the admissions requirements for the students the institution intends to serve;
- Senior administrators and staff can articulate how online learning is consonant with the institution's mission and goals.

#### **2. The institution's plans for developing, sustaining, and, if appropriate, expanding online learning offerings are integrated into its regular planning and evaluation processes.**

*Analysis/Evidence:*

- Development and ownership of plans for online learning extend beyond the administrators directly responsible for it and the programs directly using it;
- Planning documents are explicit about any goals to increase numbers of programs provided through online learning courses and programs and/or numbers of students to be enrolled in them;
- Plans for online learning are linked effectively to budget and technology planning to ensure adequate support for current and future offerings;
- Plans for expanding online learning demonstrate the institution's capacity to assure an appropriate level of quality;
- The institution and its online learning programs have a track record of conducting needs analysis and of supporting programs.

### **3. Online learning is incorporated into the institution's systems of governance and academic oversight.**

*Analysis/Evidence:*

- The institution's faculty have a designated role in the design and implementation of its online learning offerings;
- The institution ensures the rigor of the offerings and the quality of the instruction;
- Approval of online courses and programs follows standard processes used in the college or university;
- Online learning courses and programs are evaluated on a periodic basis;
- Contractual relationships and arrangements with consortial partners, if any, are clear and guarantee that the institution can exercise appropriate responsibility for the academic quality of all online learning offerings provided under its name.

### **4. Curricula for the institution's online learning offerings are coherent, cohesive, and comparable in academic rigor to programs offered in traditional instructional formats.**

*Analysis/Evidence:*

- The curricular goals and course objectives show that the institution or program has knowledge of the best uses of online learning in different disciplines and settings;
- Curricula delivered through online learning are benchmarked against on-ground courses and programs, if provided by the institution, or those provided by traditional institutions;
- The curriculum is coherent in its content and sequencing of courses and is effectively defined in easily available documents including course syllabi and program descriptions;
- Scheduling of online learning courses and programs provides students with a dependable pathway to ensure timely completion of degrees;
- The institution or program has established and enforces a policy on online learning course enrollments to ensure faculty capacity to work appropriately with students;
- Expectations for any required face-to-face, on-ground work (e.g., internships, specialized laboratory work) are stated clearly;
- Course design and delivery supports student-student and faculty-student interaction;
- Curriculum design and the course management system enable active faculty contribution to the learning environment;
- Course and program structures provide schedule and support known to be effective in helping online learning students persist and succeed.

### **5. The institution evaluates the effectiveness of its online learning offerings, including the extent to which the online learning goals are achieved, and uses the results of its evaluations to enhance the attainment of the goals.**

*Analysis/Evidence:*

- Assessment of student learning follows processes used in onsite courses or programs and/or reflects good practice in assessment methods;
- Student course evaluations are routinely taken and an analysis of them contributes to strategies for course improvements;
- Evaluation strategies ensure effective communication between faculty members who design curriculum, faculty members who interact with students, and faculty members who evaluate student learning;
- The institution regularly evaluates the effectiveness of the academic and support services provided to students in online courses and uses the results for improvement;
- The institution demonstrates the appropriate use of technology to support its assessment strategies;
- The institution documents its successes in implementing changes informed by its programs of assessment and evaluation;
- The institution provides examples of student work and student interactions among themselves and with faculty;
- The institution sets appropriate goals for the retention/persistence of students using online learning, assesses its achievement of these goals, and uses the results for improvement.

### **6. Faculty responsible for delivering the online learning curricula and evaluating the students' success in achieving the online learning goals are appropriately qualified and effectively supported.**

*Analysis/Evidence:*

- Online learning faculties are carefully selected, appropriately trained, frequently evaluated, and are marked by an acceptable level of turnover;
- The institution's training program for online learning faculty is periodic, incorporates tested good practices in online learning pedagogy, and ensures competency with the range of software products used by the institution;

- Faculty are proficient and effectively supported in using the course management system;
- The office or persons responsible for online learning training programs are clearly identified and have the competencies to accomplish the tasks, including knowledge of the specialized resources and technical support available to support course development and delivery;
- Faculty members engaged in online learning share in the mission and goals of the institution and its programs and are provided the opportunities to contribute to the broader activities of the institution;
- Students express satisfaction with the quality of the instruction provided by online learning faculty members.

## **7. The institution provides effective student and academic services to support students enrolled in online learning offerings.**

### *Analysis/Evidence:*

- The institution's admissions program for online learning provides good web-based information to students about the nature of the online learning environment, and assists them in determining if they possess the skills important to success in online learning;
- The institution provides an online learning orientation program;
- The institution provides support services to students in formats appropriate to the delivery of the online learning program;
- Students in online learning programs have adequate access to student services, including financial aid, course registration, and career and placement counseling;
- Students in online learning programs have ready access to 24/7 tech support;
- Students using online learning have adequate access to learning resources, including library, information resources, laboratories, and equipment and tracking systems;
- Students using online learning demonstrate proficiency in the use of electronic forms of learning resources;
- Student complaint processes are clearly defined and can be used electronically;
- Publications and advertising for online learning programs are accurate and contain necessary information such as program goals, requirements, academic calendar, and faculty;
- Students are provided with reasonable and cost-effective ways to participate in the institution's system of student authentication.

## **8. The institution provides sufficient resources to support and, if appropriate, expand its online learning offerings.**

### *Analysis/Evidence:*

- The institution prepares a multi-year budget for online learning that includes resources for assessment of program demand, marketing, appropriate levels of faculty and staff, faculty and staff development, library and information resources, and technology infrastructure;
- The institution provides evidence of a multi-year technology plan that addresses its goals for online learning and includes provision for a robust and scalable technical infrastructure.

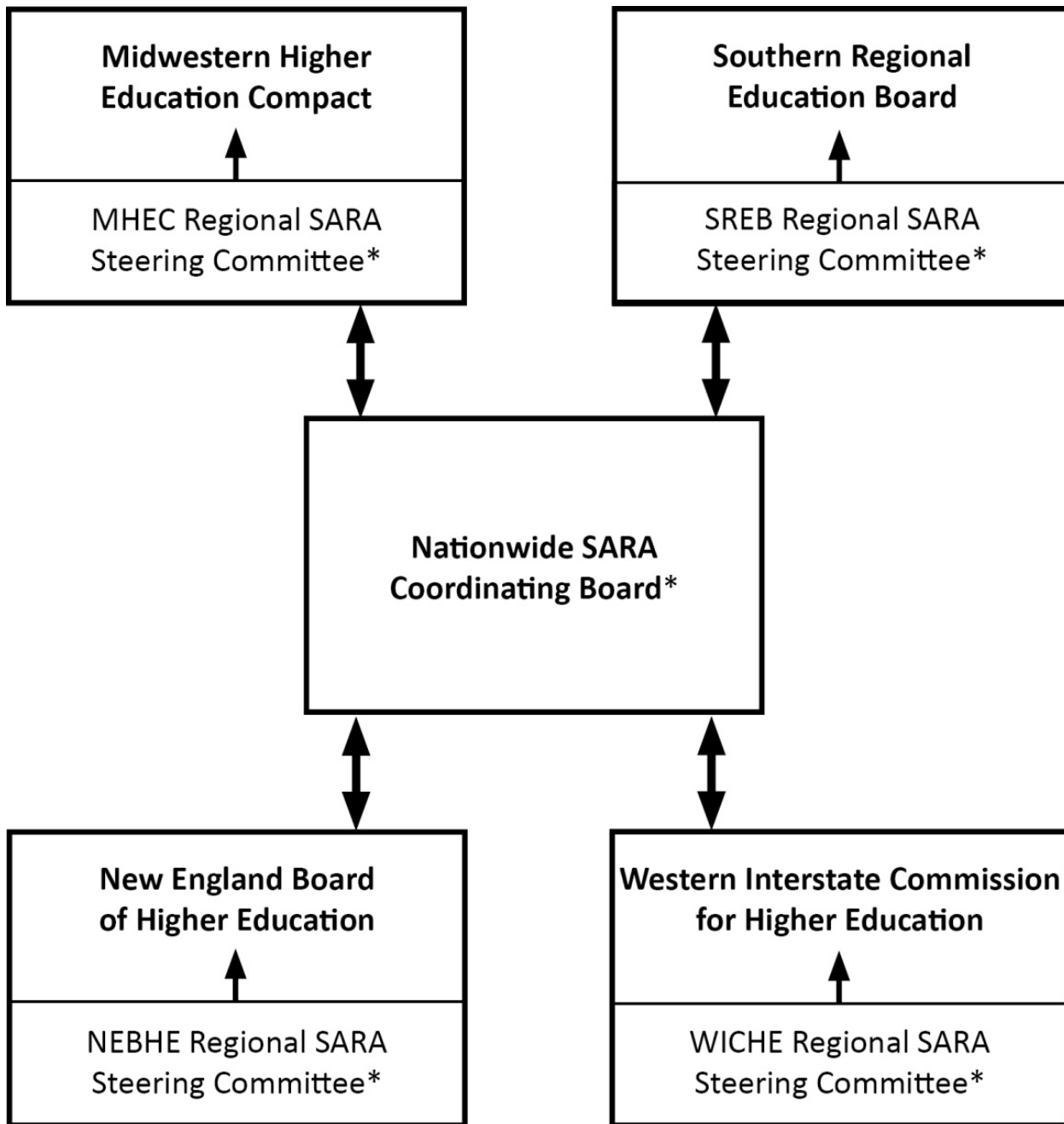
## **9. The institution assures the integrity of its online offerings.\***

### *Analysis/Evidence:*

- The institution has in place effective procedures through which to ensure that the student who registers in a distance education course or program is the same student who participates in and completes the course or program and receives the academic credit. The institution makes clear in writing that these processes protect student privacy and notifies students at the time of registration or enrollment of any projected additional costs associated with the verification procedures. (Note: This is a federal requirement. All institutions that offer distance education programs must demonstrate compliance with this requirement.);
- The institution's policies on academic integrity include explicit references to online learning;
- Issues of academic integrity are discussed during the orientation for online students;
- Training for faculty members engaged in online learning includes consideration of issues of academic integrity, including ways to reduce cheating.

\*Institutions are encouraged to consult *Best Practice Strategies to Promote Academic Integrity in Online Education*, prepared by WCET and available at <http://www.wcet.wiche.edu>

**Appendix 3: Relationship of NC-SARA to Regional Compacts and Steering Committees**



\* Refer to the Responsibilities of the Regional Compacts and the Creating Reciprocity Nationwide sections for information on the composition of the committees and board.

## Appendix 4: Summary of Requirements for States' Voluntary Application and Participation

### Standards for State Membership in SARA

To be accepted into a regional **State Authorization Reciprocity Agreement**, a state must agree that it can and will operate under the criteria for state membership established in the Regional agreements. The requirements for state membership are set forth below. For purposes of SARA, the term “state” includes the District of Columbia and the organized U.S. Territories.

#### A. BASIC ELIGIBILITY OF STATES

1. The state must be a member of one of the four interstate higher education compacts that administer SARA, or must have concluded an agreement with such a compact covering SARA activity.
2. The state agency responsible for joining SARA must have the legal authority under state law to enter an interstate agreement on behalf of the state.

#### B. FUNCTIONAL RESPONSIBILITIES OF STATES:

3. The state accepts institutional accreditation by an accrediting body recognized by the U.S. Secretary of Education as sufficient, initial evidence of academic quality for approving institutions for participation in SARA.
4. The state considers applications from degree-granting institutions of all sectors (public, private non-profit, and private for-profit) on the same basis and approves institutions that meet SARA standards and agree to SARA processes and commitments without differentiating by sector.
5. For private institutions, the state accepts an institutional federal financial responsibility rating of 1.5 (or 1.0 with justification) as sufficient financial stability to qualify for participation in SARA.
6. The state has a clearly articulated and comprehensive state process for consumer protection in regard to SARA activities, both with respect to initial institutional approval and on-going oversight, including the resolution of consumer complaints in *all sectors*.  
**NOTE:** The problem-solving methods need not be identical for all institutions, as different boards or agencies may be involved depending on the nature of the problem, but the authority of the state to resolve complaints related to SARA activity must be substantially the same for all institutions.
7. The state designates a “portal agency” to coordinate SARA matters for the state and provide a principal point of contact for resolution of student complaints.  
**NOTE:** The designated agency need not itself be responsible for all oversight activities of SARA providers inside the state, but will be the SARA portal for that state.
8. The state agrees that it will work cooperatively with other SARA states, regional compacts and NC-SARA to enable success of the initiative. It will follow up on requests for information or



investigation from other SARA member states or any SARA regional or national office, providing such data or reports as are required.

9. The state agrees to impose no non-SARA fees on any institution from another SARA member state that operates properly under the rules of SARA.
10. The state agrees to require each SARA applicant institution to apply for state approval using the standard SARA institutional application, including the Standards checklist.
11. The state agrees to serve as the default forum for any complaint filed against an institution authorized by the state to participate in reciprocity. The state agency (or multiple agencies) responsible for SARA is hereby empowered to investigate and resolve complaints that may originate outside of the state, and state remedies, including refunds or other corrective action, are available to resolve complaints involving residents of other states.
12. The state agrees to document: a) All formal complaints received; b) Complaint notifications provided to institutions and accrediting agencies; c) Actions taken that are commensurate with the severity of violations; and d) Complaint resolution.
13. The state agrees that it will promptly report complaints and concerns to the institutions about which the complaint is lodged, the home state SARA office responsible for any such institution and, if needed, the appropriate accrediting bodies.

## **Evaluation of Application for State Membership in SARA**

### Evaluator checklist

In order for a state to join SARA, the evaluator must find that it meets all of the standards set forth below.

Yes No

- The state is a member of the interstate higher education compact to which it is applying for SARA membership, or has concluded a specific agreement allowing it to join SARA through the compact.

Yes No

- The signatory state agency responsible for joining SARA has the legal authority under state law to enter an interstate agreement and has provided necessary documentation of this ability.

Yes No

- The state has agreed to accept institutional accreditation by an accrediting body recognized by the U.S. Secretary of Education as sufficient, initial evidence of academic quality for approving institutions for participation in SARA.

Yes No

- The state has agreed in writing to consider applications from degree-granting institutions of all sectors (public, private non-profit, and private for-profit) on the same basis and to approve institutions that meet SARA standards without differentiating by sector.

Yes No

- For private institutions, the state accepts an institutional federal financial responsibility rating of 1.5 (or 1.0 with justification) as sufficient financial stability to qualify for participation in SARA. The state agrees to ascertain the federal financial responsibility level of all nonpublic institutions that apply to participate in SARA and disallow participation to any that fail to meet the standard.

Yes No

- The state has a clearly articulated and comprehensive state process for consumer protection in regard to SARA activities, both with respect to initial institutional approval and on-going oversight, including the resolution of consumer complaints in all sectors.

Yes No

- The state has designated a “portal agency” to be the SARA portal for the state and provide a principal point of contact for resolution of student complaints.

Yes No

- The state has agreed that it will work cooperatively with other SARA states, its regional compact and NC-SARA to enable success of the initiative. It will follow up on requests for information or investigation from other SARA member states or any SARA regional or national office, providing such data or reports as are required.

Yes No

- The state has agreed to impose no non-SARA fees on any institution from another SARA member state that operates properly under the rules of SARA.

Yes No

- The state has agreed to require each SARA applicant institution to apply for state approval using the standard SARA institutional application, including the C-RAC Standards checklist.