

**TOPIC: RECOMMENDATION TO ENTER INTO THE STATE AUTHORIZATION RECIPROCIITY AGREEMENT (SARA)**

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**I. SUMMARY**

This consent item provides a recommendation for the Colorado Commission on Higher Education to enter into an interstate reciprocity agreement on behalf of all postsecondary institutions authorized to operate in Colorado that offer distance education courses and programs via the internet. The State Authorization Reciprocity Agreement (SARA) is an agreement among its member states, districts, and U.S. territories that establishes comparable national standards for interstate offering of postsecondary distance-education courses and programs.

**II. BACKGROUND**

The State Authorization Reciprocity Agreement (SARA) addresses the issue surrounding the way in which states regulate higher education, with varying requirements for out-of-state institutions that want to do business in the state using online delivery. In recent years, the cross-state online education offered by colleges and universities has expanded dramatically. Currently, the only process for institutions to continue to do online business in other states is to seek authorization from each and every state in which they have an enrolled student. Due to this federal requirement, thousands of institutions must contact and work through as many as 54 states and territories resulting in inefficient, ineffective, and costly access to high quality distance education throughout the country.

SARA establishes a state-level reciprocity process that will aid in making authorization more efficient and uniform with regard to the standards of practice. Additionally, when dealing with quality and integrity issues, it seeks to provide a more effective process, and, ultimately, seeks to be less costly for both states and institutions and, thereby, the students they serve.

SARA came about due to a federal rule change requiring all institutions offering distance in other states to demonstrate that the institution has the approval to serve students in every state from which the institution enrolls a student. The vastly differing state laws, rules, and regulation diversity regarding out-of-state instruction led to a reciprocity initiative funded by the Lumina Foundation to standardize the varying processes around the country, resulting in SARA.

The essential principles of SARA are that participation is completely voluntary, the agreement acknowledges the traditional roles within higher education's "accountability triad" and lays out a framework for state-level reciprocity implementation by the four regional higher education compacts, a National Council for SARA to ensure national coverage, and a financial plan to support operations. The accountability triad consists of accrediting agencies to ensure quality,

the federal government which is accountable for federal financial aid as well as the recognition of accrediting agencies, and the states to provide student protection.

The four regional higher education compacts in the United States will administer the agreements and the National Council for SARA will oversee those regional compacts. The compacts are the Midwestern Higher Education Compact (MHEC), the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE). These compacts operate with the express purpose of expanding educational opportunity within their respective regions. The four regional compacts have agreed that they will collaborate to provide regional reciprocity, as well, thus interstate reciprocity will extend throughout the country to cover all participating states and territories.

States are required to approve/authorize their in-state institutions for SARA participation and to resolve student complaints. The agreement is open to degree-granting institutions from all sectors: public colleges and universities; independent institutions, both non-profit and for-profit. SARA seeks to standardize a set of triggers of physical presence. Participation on the part of the state does not supersede the state's approval and oversight of on the ground campuses. It does shift the principle oversight of responsibilities from the state in which the distance education is received to the home state of the institution offering the instruction.

### **III. STAFF ANALYSIS**

The basic eligibility requirements for consideration to participate in SARA at the state level are that the state must be a member of one of the four interstate higher education regional compacts that administer SARA and the entity making the decision to join must have the legal authority under state law to enter an interstate agreement on behalf of the state.

The Colorado Attorney General's Office confirmed that the following statute gives the Commission authority to enter into a reciprocity agreement that will allow it, and the department acting as its staff, to recognize the signatory states' authorization of accredited public and private institutions that operate in their states to offer educational services beyond state boundaries:

*§23-2-103.1(4): The commission may negotiate and enter into interstate reciprocity agreements with other states if, in the judgment of the commission, the agreements do not obligate a private college or university or seminary or religious training institution to comply with standards or requirements that exceed the standards and requirements specified in this article and the agreements will assist in accomplishing the purposes of this article.*

Beyond the basic eligibility requirements for state participation are some functional responsibilities of the states. Several responsibilities already occur under the Degree Authorization Act, but for purposes of SARA, degree-granting institutions from all sectors may apply to participate. One of the responsibilities required by WICHE is that states include in their

student complaint policies certain consumer protection items. Commission Policy I, T: Student Complaints has been revised to include these items and this proposed revision is being presented as a separate agenda item for approval.

Department staff plans to apply to WICHE for state membership by the April 15, 2014 deadline in order to have the application considered at the May 2014 WICHE board meeting. The approval of the CCHE Policy I, Section T: Student Complaints as well as this approval will meet the eligibility guidelines for interstate reciprocity participation.

#### **IV. STAFF RECOMMENDATIONS**

**Staff recommends that the Commission approve the recommendation to enter into the State Authorization Reciprocity Agreement on behalf of Colorado institutions of higher education for distance education.**

#### **STATUTORY AUTHORITY**

C.R.S. §23-2-103.1(4): The commission may negotiate and enter into interstate reciprocity agreements with other states if, in the judgment of the commission, the agreements do not obligate a private college or university or seminary or religious training institution to comply with standards or requirements that exceed the standards and requirements specified in this article and the agreements will assist in accomplishing the purposes of this article.

#### **ATTACHMENTS**

**Attachment A:** State Authorization Reciprocity Agreements, Policies and Standards