National Council for
State Authorization Reciprocity Agreements

A voluntary, regional approach to state oversight of distance education

State Authorization Reciprocity Agreements

Policies and Standards

A 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. It is intended to make it easier for students to take online courses offered by postsecondary institutions in a state other than the one where they reside. SARA is overseen by a national council and administered by four regional higher education compacts, MHEC, NEBHE, SREB and WICHE. The four SARA agreements of those compacts are collectively treated as a plural, the Agreements.

Section 1. Definitions

1. "Accredited" means: holding institutional accreditation by name as a U.S.-based institution from an accreditor recognized by the U.S. Department of Education.

2. "Approve" or "Approval" in the context of an institutional application to operate under SARA means: a written statement by a home state that an institution meets the standards required by SARA and is eligible to operate under SARA.

3. "Authorized" means: holding a current valid charter, license or other written document issued by a state, the federal government or a recognized Indian tribe, granting the named entity the authority to issue degrees and operate within a state or jurisdiction.

4. "Bylaws" means: those bylaws established by the National Council for SARA for its governance, or for directing or controlling its actions and conduct.

5. "Charter" means: a document bearing the word Charter issued by proper governmental authority that names a college or university as a degree-granting institution authorized to operate under the laws of the issuing jurisdiction.

6. "Complaint" means: a formal assertion in writing that the terms of this agreement, or of laws, standards or regulations incorporated by this agreement, are being violated by a person, institution, state, agency or other organization or entity operating under the terms of this agreement.

7. "Council" means: the National Council for State Authorization Reciprocity Agreements, or in short form National Council for SARA, or NC-SARA.

8. "C-RAC Guidelines" and other uses of "C-RAC" refers to 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).

9. "Credits" means: numeric descriptors of completion of academic work applicable toward a degree, including the Carnegie unit system.

10. "Degree" means: An award conferred at the Associate level or higher by an institution as official recognition for the successful completion of a program of studies. (Based on IPEDS definition.)

11. "Distance Education" means: instruction offered by any means where the student and faculty member are in separate physical locations. It includes, but is not limited to, online, interactive video or correspondence courses or programs.

12. "Faculty" means: a professional individual employed by or contracting with an institution primarily to teach, conduct research or provide related professional education services.

13. "Home State" means: a member state where the institution holds its legal domicile. To operate under SARA an institution must have a single home state.

14. "Host State" means: a member state in which an institution operates under the terms of this agreement, other than the home state.

15. "Hybrid" means: an educational program or course that includes both face-to-face and distance education. Also known by the name "blended" and, sometimes, other terms.

16. "Institution" means: a degree-granting postsecondary entity.

17. "Member State" means: any state, district or territory that has joined this agreement.

18. "Non-degree award" means: a formal postsecondary award that does not carry the designation of Associate degree or higher.

19. "Operate" means: activities conducted by an institution in support of offering distance education degree or non-degree courses or programs in a state, including but not limited to instruction, marketing, recruiting, tutoring, field experiences and other student support services.

20. "Physical Presence" means: a measure by which a state defines the status of an educational institution's presence within the state. See the special section on physical presence below for the SARA standard.

21. "Portal Agency" means: the single agency designated by each SARA member state to serve as the interstate point of contact for SARA questions, complaints and other communications.

22. "Regional Compact" means: the New England Board of Higher Education, Midwestern Higher Education Compact, Southern Regional Education Board or Western Interstate Commission for Higher Education.

23. "Rule" means: a written statement promulgated by the National Council for SARA that is of general applicability; implements, interprets or prescribes a policy or provision of the agreement; or an organizational, procedural, or other requirement of the Council, including these policies and standards.

24. "State" means: any state, commonwealth, district, or organized territory of the United States.

25. "Supervised field experience" means: a student learning experience under the oversight of a supervisor, mentor, faculty member or other qualified professional, located in the host state, who has a direct or indirect reporting responsibility to the institution where the student is enrolled, whether or not credit is granted. Examples include practica, student teaching, or internships. Independent off-campus study by individual students not engaged in a supervised field experience is exempt from requirements of this compact and does not constitute a physical presence of a postsecondary institution in a SARA member state.

Section 2. States and Membership

1. Eligibility for membership

a. The state must be a member of one of the four interstate Regional Compacts that administer SARA, or must have concluded an agreement with such a compact covering SARA activity.

b. The state agency responsible for joining SARA must have the legal authority under state law to enter an interstate agreement that covers all of the elements of SARA.

NOTE: The District of Columbia and U.S. territories are also eligible to join SARA.

2. Member withdrawal

A member state may withdraw from SARA by providing 90 days written notice from the appropriate state authority to its Regional Compact. Any institution operating under SARA from that state may continue to do so to the conclusion of its current academic term or 90 days after the date of receipt of notice of withdrawal, whichever is later, but not to exceed six months from the date the notice was received by the Regional Compact. An institution that withdraws from SARA partway through its participation year receives no fee refund.

3. Member removal

A member state may be removed from SARA membership by its Regional Compact if it ceases to abide by the requirements of SARA. The effect of removal on students and institutions will follow the same standards as set forth for **Withdrawal**.

4. Application

States apply for SARA membership using a uniform SARA application process through which a state will be required to demonstrate to its Regional Compact that it meets the standards established for participation in the interstate reciprocity agreement.

5. Functional responsibilities of states

a. 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.

b. 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.

c. 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. In the event that an institution does not participate in federal Title IV financial aid and therefore has no federal responsibility rating, the state must calculate this rating before allowing an institution to participate in SARA.

   NOTE: This SARA policy does not preclude a state from requiring a higher rating for nonpublic providers operating in the state as their home state. In that case, institutions operating from that state under SARA would have a higher required score, not because of SARA rules, but because of the home state's law applicable to all providers.

d. 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.

e. 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. The portal agency has the following duties:

   A. Serve as the point of contact for all other SARA member states and their agencies for questions about SARA within its state;
   B. Determine whether an institution in its state is eligible for participation in SARA, and lead any investigations regarding whether an institution is in compliance with SARA rules and policies;
   C. Serve as the initial contact point for complaints about any institutions in the state that are operating under SARA; and
   D. Collect and manage any in-state fees[1] assessed on participating institutions for oversight of SARA.

[1] It does not collect the fees paid by Institutions directly to the National Council for SARA.

NOTE: The designated portal agency need not itself be responsible for all oversight activities of SARA providers inside the state, and need not have a governance role with any institution, but will be the SARA portal for that state.

f. The state agrees that it will work cooperatively with other SARA states, Regional Compacts and the National Council for SARA to enable success of the initiative. The state 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.

g. The state agrees that it will not impose on an institution operating under SARA from another state any requirements, standards, fees or procedures other than those set forth in SARA policies and rules. This does not preclude the state from enforcing its laws against nondomestic institutions in non-educational subject areas outside those covered by SARA.

h. The state agrees to require each SARA applicant institution to apply for state approval using the standard SARA institutional application, including agreement to operate under the C-RAC guidelines.

Section 3. Institutions and Participation

1. Eligibility

Any degree-granting institution based in the United States, holding proper authorization from Congress, a U.S. state or a federally recognized Indian tribe and holding accreditation from an accrediting association recognized by the U.S. Secretary of Education is eligible to apply to its home state to participate in SARA if that state is a SARA member. To be eligible for offer under SARA, distance education must originate inside the United States or a U.S. territory. Ownership of an institution located outside the United States or its territories by a U.S. institution does not qualify the nondomestic institution to operate under SARA.

2. Participation Fees

a. Fees for an institution to participate in SARA potentially consist of two parts. The first is a required SARA fee paid to the National Council for SARA. This annual fee[2] is based on an institution's total full-time equivalent (FTE) enrollment as shown in the Integrated Postsecondary Education Data System (IPEDS) and is assessed as follows:

Enrolled FTE	Annual Fee
Under 2,500	$2,000
2,500-9,999	$4,000
10,000 or more	$6,000

b. Institutions that pay SARA participation fees prior to September 1, 2014 receive 18 months of initial approval to operate under SARA instead of 12 months. Renewals are on an annual basis.

[2] Fees may be revised by the National Council for SARA as needed beginning in 2016.

c. States have the option of charging SARA participant institutions a fee to cover the state's costs in administering SARA.

3. Loss of institutional eligibility

An institution that does not renew its participation agreement with its home state or pay its required SARA fees annually is no longer eligible to participate in SARA. At the time of annual renewal, the state must determine whether the institution still meets SARA requirements. An institution can also be removed at any time by its home state or by the SARA Regional Compact under which it operates for violation of SARA standards. An institution that is removed from eligibility partway through a period of approval receives no fee refund.

NOTE: The National Council for SARA office will maintain a list of SARA participant institutions.

4. Limitations of SARA

SARA applies solely to distance education activity conducted across state lines. It does not apply to distance education activity inside a state or to on-ground campuses. For purposes of SARA, "distance education" includes a limited number of group activities conducted for short periods on the ground. See Section 3, subsections 6, 7, 9 and the **Physical Presence** standards in Section 6 for details.

5. Programs leading to licensure

SARA has no effect on state professional licensing requirements. Any institution operating under SARA that offers courses or programs potentially leading to professional licensure must keep all students, applicants and potential students who have contacted the institution about the course or program informed as to whether such offerings actually meet state licensing requirements. This must be done in one of two ways:

a. The institution may determine whether the course or program meets the requirements for professional licensure in the state where the applicant or student resides and provide that information in writing to the student, or

b. The institution may notify the applicant or student in writing that the institution cannot confirm whether the course or program meets requirements for professional licensure in the student's state, provide the student with current contact information for any applicable licensing boards, and advise the student to determine whether the program meets requirements for licensure in the state where the student lives.

Failure to provide proper notice in one of these two ways invalidates the SARA eligibility of any course or program offered without the proper notice.

6. Field trips and seasonal residential activity

SARA covers class field trips across state lines among member states, but does not cover full-scale residency programs such as a summer session at a field station.

7. Short courses and seminars

Physical presence under SARA is not triggered if the instruction provided for a short course or seminar takes no more than 20 classroom hours. Class meetings during a full-term course do not trigger physical presence if the instructor and students physically meet together for no more than two meetings, totaling less than six hours. Apparent abuses of these provisions may be brought to the attention of the home state.

8. Third-party providers

Contacts between a third-party provider of educational services and any SARA office or state must be made via the degree-granting institution that operates under SARA. A third-party provider may not represent an institution regarding any subject under SARA operating policies to any SARA office or any state operating under SARA. The institution that transcripts a course is considered the degree-granting institution for purposes of this section.

> **NOTE**: A SARA-approved institution may hire third-party providers to offer or support instruction contained within a program that is otherwise SARA-eligible, assuming that the instruction otherwise meets SARA standards, institutional requirements and requirements of accrediting bodies. However, the degree-granting institution cannot delegate any SARA-related problem-solving functions to a third-party provider, nor may it use the third-party provider as its vehicle for contacting or working with a state.

9. Offerings on military bases

All distance education course offerings provided interstate to federal employees and their dependents located on a U.S. military facility or vessel are covered by SARA. If such offerings are open to the general public for enrollment, SARA does not apply and state law where the base is located applies.

Section 4. Consumer protection

SARA *Policies and Standards*, including those for consumer protection and the resolution of complaints, apply to interstate distance education offered by participating SARA institutions to students in other SARA states. Only those complaints resulting from distance education courses offered by participating institutions to students in other SARA states come under the terms of the agreement. Complaints about a SARA institution's in-state operations are to be resolved under the state's provisions, not those of SARA.

SARA consumer protection provisions require the home state, through its SARA "portal" entity or agency, to investigate and resolve allegations of dishonest or fraudulent activity by a provider, including the provision of false or misleading information.

Consumer protection within SARA, in addition to dealing with alleged fraudulent activity, also provides for the investigation and resolution of complaints that an institution is operating a course or program contrary to practices set forth in the *C-RAC Guidelines* (see below) in such a way that a student is harmed. Examples of issues that may arise in regard to alleged fraudulent activity or more general complaints include, but are not limited to:

a. Veracity of recruitment and marketing materials;
b. Accuracy of job placement data;
c. Accuracy of information about tuition, fees and financial aid;
d. Complete and accurate admission requirements for courses and programs;
e. Accuracy of information about the institution's accreditation and/or any programmatic/specialized accreditation held by the institution's programs;
f. Accuracy of information about whether course work meets any relevant professional licensing requirements or the requirements of specialized accrediting bodies;
g. Accuracy of information about whether the institution's course work will transfer to other institutions; and
h. Operation of distance education programs consistent with practices expected by institutional accreditors (and, if applicable, programmatic/specialized accreditors) and/or the *C-RAC Guidelines* for distance education.

1. Responsibilities for resolving complaints

Initial responsibility for the investigation and resolution of complaints resides with the institution against which the complaint is made. Further consideration and resolution, if necessary, is the responsibility of the SARA portal agency, and other responsible agencies of the institution's home state (see the following section: Complaint Resolution Processes). The portal agency is responsible for staffing the investigation and resolution of complaints that are not resolved at the institutional level. (The portal agency may enlist the assistance of other responsible entities in the state in carrying out the work of complaint resolution.) Institutions operating under SARA shall make their and SARA's complaint resolution policies and procedures readily available to students taking courses under SARA provisions.

2. Complaint Resolution Processes

a. Complaints against an institution operating under SARA go first through the institution's own procedures for resolution of grievances.

b. Complaints regarding student grades or student conduct violations are governed entirely by institutional policy and the laws of the SARA institution's home state.

c. If a person bringing a complaint is not satisfied with the outcome of the institutional process for handling complaints, the complaint (except for complaints about grades or student conduct violations) may be appealed, within two years of the incident about which the complaint is made, to the SARA portal agency in the home state of the institution against which the complaint has been lodged. The resolution of the complaint by that SARA portal agency, through its SARA complaint resolution process, will be final, except for complaints that fall under the provisions of (g), below.

d. While the final resolution of the complaint rests with the SARA portal agency in the home state of the institution against which the complaint has been lodged, nothing precludes the state in which the complaining person is located from also working to resolve the complaint, preferably through

that state's SARA portal agency. Indeed, it is expected that SARA states will facilitate the resolution of any complaints brought to their attention.

e. While final resolution of complaints (for purposes of adjudication of the complaint and enforcement of any resultant remedies or redress) resides in certain cases with institutions (complaints about grades or student conduct violations), or more generally with the relevant institution's home state SARA portal agency (all other complaints), the regional compact(s) administering SARA may consider a disputed complaint as a "case file" if concerns are raised against a participating state with regard to whether that state is abiding by SARA *Policies and Standards*. The regional compact may review such complaints in determining whether a state under its purview is abiding by the SARA standards. Similarly, a complaint "case file" may also be reviewed by NC-SARA in considering whether a regional compact is ensuring that its member states are abiding by the SARA standards required for their participation in the agreement.

f. SARA shall develop policies and procedures for reporting the number and disposition of complaints that are not resolved at the institutional level. Such data will create transparency and can be used in determining whether a regional compact is ensuring that its SARA member states and those states' institutions are abiding by the standards required for participation in the agreement.

g. Nothing in SARA *Policies and Standards* precludes a state from using its laws of general application to pursue action against an institution that violates those laws.

3. Oversight of complaint investigation

Investigation of a SARA-related complaint against an institution requires that a board or agency outside the institution's immediate management be available to handle complaints that are not resolved within the institution. A system board responsible for more than one separately accredited institution may serve this role under SARA provisions. A board responsible for only one accredited institution, or which lacks enforcement authority over an institution, cannot serve as the SARA external oversight agency for such an institution. In such circumstances, the institution's home-state SARA portal agency may serve that function.

4. Incorporation of Existing Guidelines

The *Interregional Guidelines for the Evaluation of Distance Education (Online Learning)* (referred to as "C-RAC Guidelines" in this document) adopted by the Council of Regional Accrediting Commissions are incorporated in the requirements of SARA. States that join SARA need to base their oversight of SARA activity and their investigative actions on the following expectations.[3] The president or chief academic officer of each institution participating in SARA (whether accredited by a "regional" or other recognized accreditor) shall attest that their institution meets and agrees to comply with the following C-RAC provisions.

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

[3] The complete C-RAC framework and examples of good practices shall be made a part of the institutional application process. The numbering system used in this section is retained from the C-RAC framework.

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

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

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

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.

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.

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

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

9. The institution assures the integrity of its online offerings.

Section 5. Physical presence standards

Generally, an institution has physical presence when it operates a campus, branch instructional facility whether leased or owned, or administrative office within the boundaries of a state. However, because the specific definitions of physical presence currently vary greatly from state to state, especially with regard to out-of-state institutions that seek to conduct any activity within another state, SARA has established its own uniform standard for physical presence vs. distance education. For purposes of participation in SARA, this standard applies, but it does not affect the application of existing state laws to colleges that choose to operate outside of SARA or which are based in states that are not SARA members.

1. **For purposes of SARA, an institution has physical presence and therefore must meet the state's current non-SARA requirements if it does any of these things in a state:**

    a. Establishes a physical location for students to receive synchronous or asynchronous instruction;
    b. Requires students to physically meet in a location for instructional purposes more than twice per full-term (quarter or semester) course for a total of more than six hours;
    c. Establishes an administrative office;
    d. Provides information to students for the purpose of enrolling students, or provides student support services, from a physical site operated by or on behalf of the institution in the state;

e. Offers a "short course" that requires more than 20 contact hours;
f. Provides office space to instructional or non-instructional staff;
g. Maintains a mailing address or phone exchange in a state.

2. **An institution does not have physical presence, and is therefore covered by SARA in SARA member states, if it is only:**

   a. Offering courses to individuals via distance education in ways that do not require students to gather physically in groups, excepting the special provisions in Section 6(1);
   b. Advertising to students whether through print, billboard, direct mail, internet, radio, television or other medium;
   c. Offering distance education courses on a military base if enrollment in such courses is limited to federal employees and family members;
   d. Maintaining a server, router or similar electronic service device housed in a facility that otherwise would not constitute physical presence (the presence of a server or similar pass-through switching device does not by itself constitute the offering of a course or program in that state);
   e. Having faculty, adjunct faculty, mentors, tutors, or other academic personnel residing in a member state (the presence of instructional faculty in a state, when those faculty teach entirely via distance-education and never meet their students in person, does not establish physical presence for purposes of this agreement);
   f. Holding proctored exams on behalf of the institution in the host state;
   g. Having contractual arrangements in the home or host state.
   h. Offering educational field experiences for students, including an educational field trip arranged for a group of students that are normally in residence at an institution in another state;
   i. Operating limited supervised field experiences. For purposes of this agreement, interstate supervised field experiences originating from campus-based programs in a member state are considered to be distance education and not to establish physical presence if they:

      A. place fewer than ten students from each program in a member state who are physically present simultaneously at a single facility or site in a host state, and

      B. do not involve any multi-year contract between a sending institution and a field site.

Section 6. Revisions to Policies and Standards

Changes to these Policies and Standards shall be classified as **Corrections** or **Revisions**. Corrections represent minor technical fixes or clarifications that do not represent a substantive change in policy, standards or procedures. Revisions represent substantive changes in policy (or new policies), standards or procedures. The last page of this document shall contain a running list showing the date that any Corrections or Revisions were made, and referring to any documentation of such changes, in order to maintain a record of such changes. That record follows this section.

Policies and Standards adopted by the National Council for SARA November 1, 2013, published in final form with minor revisions and corrections by NC-SARA staff November 18, 2013.

Record of Corrections

November 19, 2013 ..... Staff corrected section heading numbering, which was missing Section 4. We also adjusted FAQ references to match corrected headings. ALC

November 19, 2013 ..... Addition of commas to unify the format of the FTE and fee schedule. ALC

Record of Revisions

February 10, 2014.....Revision of SARA's Policies and Standards for Consumer Protection