

Approval of Distance Education Across State Lines

Considering the
State Authorization Reciprocity Agreement
(SARA)

Board of Regents Meeting
April 2016

State Authorization for Distance Education Programs

- ▶ In 2011, the U.S. Department of Education proposed regulations that would require IHEs to obtain authorization from any state in which they enroll students through distance education.
- ▶ Each state has different rules for authorizing out-of-state IHEs to offer distance education programs to state residents.
 - Some states require full application review and approval
 - Some states additionally require monetary fees for review
 - Some states, like New York, require no approval if the IHE is not establishing a physical presence in the state.
 - Currently, in New York State, out-of-state IHEs that do not seek a physical presence are not reviewed by NYSED.

Challenges for Interstate Distance Education Degree Program Offerings

- ▶ For New York State IHEs, gaining approval to offer distance education across multiple states can be time consuming, cumbersome, and costly. State to state rules vary. Some states require lengthy application review processes and fees from IHEs.

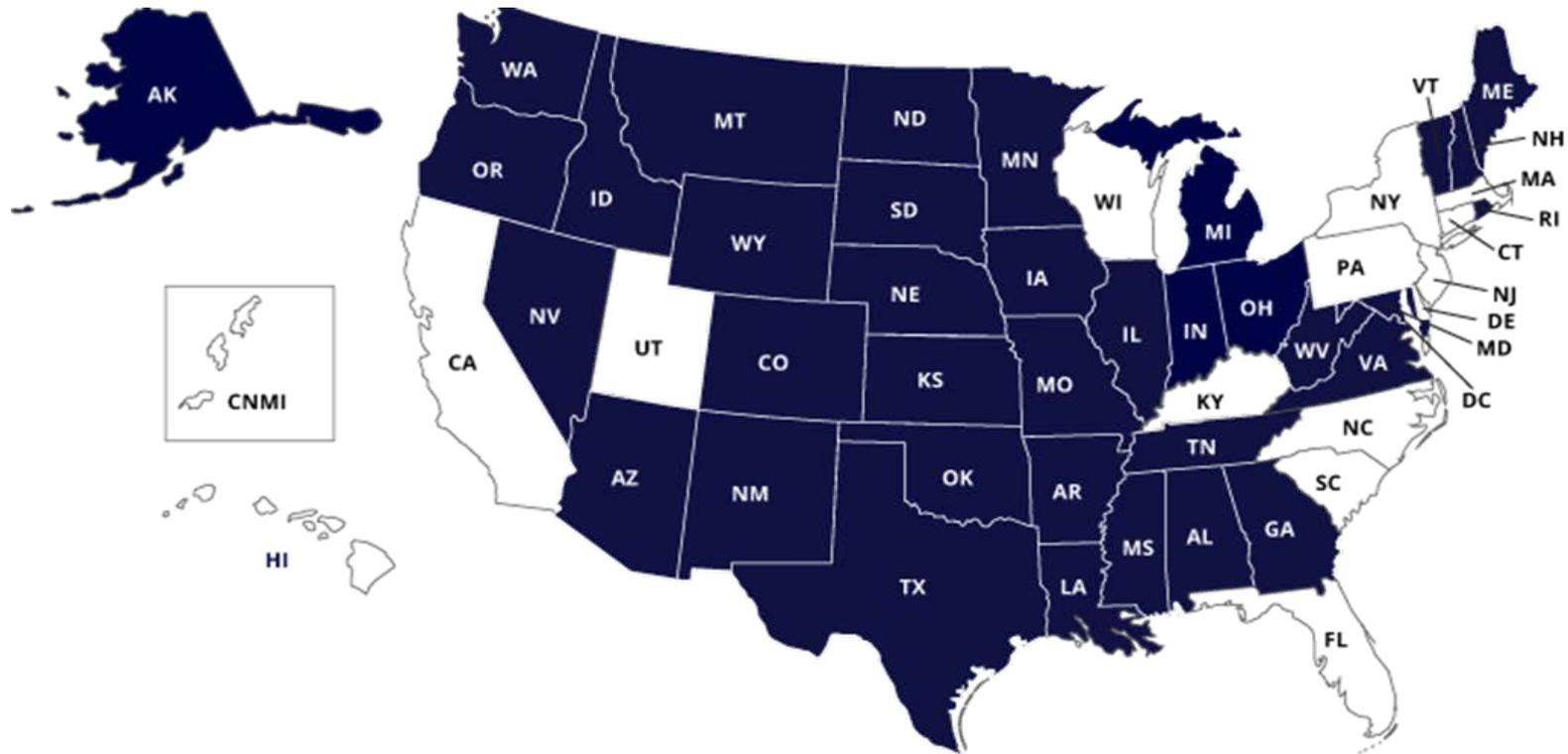
Select Examples of State Approval Fees for NYS IHEs to Offer Distance Ed.

Alabama	\$ 2,500 + \$1500 renewal
Indiana	\$ 2,000
Kansas	\$ 3,000
Michigan	\$10,000
Oregon	\$ 7,000 biennially + surety bond in Oregon
Washington	\$ 5,000
Wisconsin	\$ 2,500 – 5,000 per program

State Authorization Reciprocity Agreement (SARA)

- ▶ SARA is an agreement among member states that establishes comparable standards for interstate distance education.
- ▶ If NYS were to join SARA, the Department would approve NYS IHEs for offering distance education programs in other SARA member states.
- ▶ In addition, NYS would allow accredited IHEs authorized in other states that have joined SARA to offer their distance education programs to New York State residents.
- ▶ Those IHEs from states not in SARA must be reviewed by NYSED and will be subject to approval fees.

36 States Currently in SARA



- ▶ Highlighted states are currently participating in SARA.
- ▶ Many states not currently in SARA, like New York, are taking steps toward participation.

SARA Milestones

- ▶ As a result of Board of Regents discussions in January, February, and April of 2015, with strong support from the four higher education sectors, the Board agreed to prioritize seeking statutory authority for SARA, which would authorize the Department to:
 - Enter into SARA
 - Collect fees from NYS IHEs seeking approval under SARA
 - Collect fees for the review and approval of out-of-state IHEs not in SARA states
 - Use fees collected to hire staff to support the administrative, quality review, and consumer protection requirements under SARA
- ▶ On the August 13, 2015, the Governor signed into law Chapter 220 of the Laws of 2015, which provided the Commissioner the authority to enter into SARA, and NYSED the authority to collect fees from NYS and out-of-state IHEs to support the costs of this work.

SARA Governance and Administration

- ▶ SARA is governed by the National Council for State Authorization Reciprocity Agreements, and its 21-member board of directors.
- ▶ SARA is administered by regional steering committees in the four regional higher education compacts.
 - Midwestern Higher Education Compact (MHEC)
 - New England Board of Higher Education (NEBHE)
 - Southern Regional Board of Higher Education (SRBHE)
 - Western Interstate Commission on Higher Education (WICHE)
- ▶ If NYSED affiliates with a regional compact for SARA purposes, it will have representation on the regional steering committee.

Implications to Consider

- ▶ SARA participation would remove administrative barriers to NYS IHEs obtaining approval to offer distance education programs in other states.
- ▶ SARA participation will create new administrative responsibilities for approval and oversight for the Department, such as new application review and consumer complaint resolution processes.
- ▶ Fees collected from this work would bring in new staff to meet new responsibilities for approval, review, and consumer protection.
- ▶ Since the Department does not currently regulate out-of-state distance education programs from IHEs without a physical presence in NYS, SARA participation may add a level of quality assurance and consumer protection to these programs.
- ▶ Under SARA, all of New York State's existing consumer protection laws remain in effect.