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Adjourn
AGENDA

Agenda Item I: Welcome and introductions: Paul E. Lingenfelter, Chair

Agenda Item II (ACTION): Approve minutes of the May 11, 2017 meeting

Agenda Item III: Update on the progress of the SARA initiative
   a. Marshall A. Hill, NC-SARA
   b. Larry Isaak, Midwestern Higher Education Compact (MHEC)
   c. Michael Thomas, New England Board of Higher Education (NEBHE)
   d. David Spence, Southern Regional Education Board (SREB)
   e. Joe Garcia, Western Interstate Commission for Higher Education (WICHE)

Agenda Item IV (ACTION): FY 2017 audit report – Paul E. Lingenfelter

Agenda Item V (ACTION): Finance Committee report – Teresa Lubbers, Treasurer

Agenda Item VI (ACTION): Institutional fees for FY 2019 and FY 2020 – Paul E. Lingenfelter

Agenda Item VII (ACTION): Modifications to SARA Manual – Paul E. Lingenfelter
   a. Provisional status for institutions


Agenda item IX (ACTION): Modifications to NC-SARA Bylaws – Paul E. Lingenfelter
   a. Compact presidents who serve on the executive committee

Agenda Item X (ACTION): Election of officers and committee members – Paul E. Lingenfelter
   a. Election of chair, vice chair and treasurer
   b. Election of members of the executive committee
   c. Election of members of the finance committee

Agenda Item XI (Discussion): SARA process for obtaining input on policy proposals – Paul E. Lingenfelter

Agenda Item XII: Information items – Marshall A. Hill
   a. Update on Student and Institution Support project (with Mary Larson)
   b. U.S. Department of Education rules on state authorization of distance education
   c. 2018 meeting locations and dates
   d. Status of current year work
   e. Executive director presentations

Agenda Item XIII: Executive session

Agenda Item XIV: Questions, comments, reflections from council members

Adjourn
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NC-SARA AGENDA ITEM

Agenda Item I: Welcome and introductions - Paul E. Lingenfelter, Chair

Action Item: □ Yes  ✔ No
NC-SARA AGENDA ITEM

November 3, 2017

Agenda Item II: Approval of minutes of the May 11, 2017 meeting

Action Item: ☑ Yes ☐ No

Staff Recommendation: Approve the minutes.
MINUTES OF THE NC-SARA BOARD MEETING
MAY 11, 2017
ATLANTA AIRPORT MARRIOTT, ATLANTA GEORGIA

NOTICE OF MEETING
Notice of the time and place of the NC-SARA board meeting was posted on the NC-SARA website and given to board members, regional directors, Lumina Foundation, the Bill & Melinda Gates Foundation, and other interested parties.

An agenda is maintained in the NC-SARA offices at 3005 Center Green Drive, Suite 130, Boulder, CO 80301 and online at www.nc-sara.org

CALL TO ORDER AND INTRODUCTIONS
Chair Paul Lingenfelter called the meeting to order at 8:54 a.m. (CST)

Council Members in attendance: Barbara Ballard Chris Bustamante Joe Garcia Larry Isaak Paul Lingenfelter Lean Matthews Patricia O’Brien Pamela Quinn George Ross Kathleen Curry Santora Paul Shiffman Peter Smith Dave Spence Michael Thomas Leroy Wade Larry Tremblay Belle Wheelan Michael Zola

NC-SARA staff present: Alan Contreras Marshall Hill Holly Martinez Jennifer Shanika

Regional Compact SARA Directors and staff present: Betsey Martin, SREB-SARA Kris Biesinger, SREB-SARA Sandra Doran, NEBHE-SARA Emily Jacobson, MHEC-SARA Mary Larson, SREB-SARA John Lopez, WICHE-SARA Jennifer Parks, MHEC-SARA Rachel Stachowiak, NEBHE-SARA

Council Members not in attendance: Dianne Harrison* M. Peter McPherson* Kathryn Dodge* Teresa Lubbers

Guests Joel Hauff, Chair, AZ SARA Council

*Joined via conference call
Welcome and introductions: Paul E. Lingenfelter, Chair

After general introductions, the Chair welcomed four new board members - Kathleen Curry Santora, Peter Smith, Larry Tremblay and Michael Zola. New members spoke briefly of their background and their pleasure in joining the Council. The Chair asked members to review, sign and return to staff the annual Conflict of Interest Policy.

Agenda Item I (ACTION): Approval of minutes of the October 20, 2016 meeting

Belle Wheelan noted that she did attend the 2016 fall meeting but was not included on the attendance list. She moved to approve the minutes with that correction. Michael Zola seconded. The motion passed with all members present voting “yes”.

In reviewing the minutes, Paul Lingenfelter noted that he made an embarrassing omission, his own name, when preparing the slate of board members for the fall 2016 meeting who are willing to continue and require re-election for the term 2017 to 2019. In addition, a review of the minutes for the December 2015 meeting revealed that, while electing officers for the years 2016-2017, the Board did not elect non-officer members of the Executive Committee for those years. A motion to correct these oversights, electing Paul Lingenfelter to a second three-year term, 2017 to 2019, and extending the election of non-officer members of the Executive Committee for a second two-year term, 2016 and 2017, was made Patricia O’Brien and seconded by Belle Wheelan. The motion passed unanimously.

Agenda Item II: Update on the progress of the SARA initiative

a) Marshall A. Hill, NC-SARA

Hill noted that more than 1,500 institutions now participate in SARA, with average fees of $3,500. The majority are small institutions. The breakdown by sector has remained stable. Renewal rates are about 99 percent.

Hill described the changing focus and increasing workloads of NC-SARA staff. Staff receive many questions that reflect continuing student and institutional confusion about state authorization. Leroy Wade noted it was important to communicate at the state level as well as regional level so everyone is on the same page to communicate the same message. Pam Quinn inquired about who handles the questions sent to NC-SARA. Hill responded that Jennifer Shanika and Holly Martinez answer the majority and refer complex questions to regional staff and/or the executive director when necessary.

b) Larry Isaak, Midwestern Higher Education Compact (MHEC)

Larry Isaak asked the MHEC Regional SARA Director, Jenny Parks, to give the MHEC update. Parks noted that all MHEC states are SARA members and many have now gone through a renewal cycle. She reported high rates of institutional participation in the Midwest; in some states 100% of eligible institutions are participating. MHEC is doing numerous webinars to keep institutions informed.

c) Michael Thomas, New England Board of Higher Education (NEBHE)

Thomas noted that five of the six NEBHE states are members of SARA, with two non-compact affiliated states (NY and NJ) now participating, as well. Massachusetts
remains challenging. Thomas mentioned that NEBHE has engaged a former Massachusetts attorney general to assist in SARA-related discussions with the state.

d) David Spence, Southern Regional Education Board (SREB)
Spence remarked he was amazed at the progress made by SARA, especially as he was an early skeptic. He extended his congratulations to all involved with the growth of SARA. He mentioned SREB’s very positive experience with its “Electronic Campus,” which has been operating for 19 years.

e) Joe Garcia, Western Interstate Commission for Higher Education (WICHE)
Garcia mentioned that Navajo Tech (NM) is the first tribal institution to join SARA. Garcia discussed continuing issues with California and its considerations about joining SARA and added that many in the state are supportive of the idea of SARA. WICHE will continue to work with California regarding SARA.

Agenda Item III (ACTION): Finance Report and related financial actions

Teresa Lubbers, Treasurer, was unable to attend the meeting due to a conflict with her board’s schedule in Indiana. Lingenfelter mentioned that the Finance committee voted unanimously for the financial plan. Hill noted that SARA is in good shape financially. The board has a policy for the establishment of reserves, and initial accumulation of reserves for each of the compacts and NC-SARA has begun.

Additional policy details regarding reserves were discussed. Hill stated that NC-SARA’s financial debt to WICHE will be retired within the month.

Two motions: The first is to accept the third quarter financial report. Thomas so moved, seconded by Wheelan. Motion passed unanimously.

The second motion, to increase compact funding and reserve funding, was passed unanimously. Paul Shiffman moved to approve and was seconded by Belle Wheelan.

With extensive discussion on reserve funds for SARA partners, Michael Thomas presented a revision and simplification of the language proposed by staff. Wheelan moved approval, Wade seconded. Motion was passed unanimously.

Agenda Item IV: Report on actions taken by the executive committee

a) Smaller affiliation fees for some U.S. territories (See next item.)

Agenda Item V (ACTION): Additions and modifications to the NC-SARA Manual and other materials

a) Affiliation fees for small U.S. territories (approved by executive committee)
Motion to approve was made by McPherson and seconded by Garcia. Motion passed unanimously.

b) Modification of State Applications, Item 14
Hill stated that this issue was raised by Vermont, which is up for state renewal. Vermont had a small institution close last year. Despite best efforts, VT was not able to ensure that students were not harmed. After extensive discussion, Shiffman moved approval, seconded by Isaac. Motion passed unanimously.
c) Institutions that establish physical presence
Hill stated that the varieties of institutional practice continue to challenge clear definitions of “physical presence.” Institutions generally want SARA to cover all of their activities in SARA states (except for establishing campuses); some states do not want that to be the case. The proposed language is recommended by staff to address the issue in somewhat greater specificity than current SARA policies. Motion to approve was made by Wade, seconded by Isaac and approved by all.

**Agenda item VI (ACTION): Additions and modifications to the Unified Agreement**

a) Affiliation fees for small U.S. territories, as discussed earlier. Motion for approval by Garcia, second by O’Brien. Unanimously Passed

**Agenda item VII: Past the “EASY STUFF” – the continuing evolution of SARA**

a) Discussion and possible action
Three NC-SARA board members (Leah Matthews, Larry Tremblay, Paul Shiffman) and one regional SARA director (John Lopez) formed a panel (moderated by Paul Lingenfelter) to provide initial comments on Hill’s recommendations to create additional student and institution focused information about state authorization and to create a searchable database of academic programs offered by SARA institutions.

Hill indicated that both projects could be implemented with available funds and that institutional participation in the database would be voluntary and would not require additional fees.

**Phase I: Enhanced information for students and institutions**

Matthews: NC-SARA is well positioned for this because there is a foothold as a board for the national issue. This group is best positioned for a centralized distance education initiative. Seems a natural next step. She noted that similar efforts by the U.S. Department of Education had not been successful.

Shiffman: NC-SARA is well positioned to provide such information. He noted that ultimate responsibility for providing clear and complete information on state authorization and licensure should reside with institutions, even though they face resource and other issues. He suggested that NC-SARA consider providing training to institutional staff on these issues.

Lopez: Absolutely a need for this. We are seeing an increase in inquiries around this area.

Tremblay: Great idea. He stated that the information is very complicated. His office tried to do something similar just for Louisiana, but staff realized it was too big a challenge. His office preferred to refer questions to individuals responsible for particular programs. Recommends that NC-SARA provide general language with series of links to discipline-specific sites.
Phase II: Searchable database of academic programs

Tremblay: SREB has similar program now. A similar national initiative could be valuable. Operational issues would be complex. Suggests further study and reconsideration in the future.

Lopez: Could be very valuable to students. Project would be operationally complex, but SREB has done solid work in this area for many years.

Shiffman: No question that this could be valuable, but would students use it? If it drives enrollment, it’s worth it; if not, not worth it. Operational challenges unknown. Need more info there. Has to be up to date and accurate. Marketing needed. Would vote to pilot this and overview what SREB has done.

Matthews: The data sources online right now cause concern and confusion for students. We have a clean slate to do this. If NC-SARA doesn’t do this, another, less capable and qualified organization will. NC-SARA’s moment to take a step forward on this. See Agenda Item VIII for related actions.

Agenda Item VIII (ACTION): Proposed FY 2018 budget

Because Teresa Lubbers, Treasurer, was not in attendance, Paul Lingenfelter led the discussion.

Lingenfelter noted that there are three budget issues on table: NC-SARA’s regular operating budget; projected costs for Phase I (student and institutional information); and Phase II (program database).

Motion to approve the FY 2018 operations budget was made by Peter Smith, seconded by McPherson, and passed unanimously.

After significant discussion, Barbara Ballard made a motion to approve the proposed budget for Phase I and defer action on the Phase II budget pending additional information and discussion. Seconded by Michael Thomas; all approved.

Agenda Item IX: Information Items - Marshall A. Hill

a) Report on establishing SARA as an independent entity
b) USED rules on state authorization of distance education
c) Status of current year work
d) Executive Director presentations, October 2016 – May 2017

Agenda Item X: Executive Session

a) During the executive session the Council discussed personnel issues.

Agenda Item XI: Questions, comments, reflections from council members

Adjourn at 12:30 Central
NC-SARA AGENDA ITEM

Agenda Item III: Update on the progress of the SARA initiative

November 3, 2017

Action Item:  □ Yes  ☑ No

Background: The SARA initiative began inviting states to join in early 2014. As of October 2, 2017, 48 states plus the District of Columbia and the U.S. Virgin Islands are members. Massachusetts and Puerto Rico are preparing applications. Discussions continue in California. More than 1,600 institutions participate.

Marshall Hill will provide an overall assessment. Regional compact presidents will focus more closely on developments within their regions.

a) Marshall Hill, National Council for State Authorization Reciprocity Agreements (NC-SARA)
b) Larry Isaak, Midwestern Higher Education Compact (MHEC)
c) Michael Thomas, New England Board of Higher Education (NEBHE)
d) David Spence, Southern Regional Education Board (SREB)
e) Joe Garcia, Western Interstate Commission for Higher Education (WICHE)
Progress of the SARA Initiative

Map as of October 2017

Approved as SARA state
As of October 2017

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<td>05/14/2014</td>
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<tr>
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<tr>
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<td>12/09/2016</td>
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<tr>
<td>North Carolina (SREB)</td>
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<td>04/03/2014</td>
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<tr>
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<td>11/11/2014</td>
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<tr>
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<td>06/29/2015</td>
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<td>05/13/2014</td>
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<tr>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>08/12/2016</td>
</tr>
<tr>
<td>Wyoming (WICHE)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>05/12/2015</td>
</tr>
</tbody>
</table>

n/a: State has determined new legislation is not needed to enable participation in SARA. North Dakota & South Dakota are members of both MHEC & WICHE; chart indicates SARA affiliation.
As of October 2017

Number of SARA States

- Jan. 2014: 0
- July 2014: 5
- Jan. 2015: 15
- July 2015: 23
- Jan. 2016: 36
- July 2016: 41
- Jan. 2017: 47
- July 2017: 48

Plus D.C and the U.S. Virgin Islands

Number of SARA Institutions

- Jan. 2014: 0
- July 2014: 29
- Jan. 2015: 139
- July 2015: 516
- Jan. 2016: 903
- July 2016: 1380
- Jan. 2017: 1400
- July 2017: 1566
- October 2017: 1634

Plus D.C and the U.S. Virgin Islands
As of October 2017

**Institutions by SIZE**
- 46% Fewer than 2,500 FTE
- 17% 2,500 - 9,999 FTE
- 37% Greater than 10,000 FTE

**Institutions by SECTOR**
- 54% Public
- 40% Private/Non-Profit
- 6% Independent/ For-Profit
- 0% Tribal

Notes
NC-SARA AGENDA ITEM

Agenda Item IV: FY 2017 audit report

Action Item: ☑ Yes  ☐ No

Background and policy context

FY 2017 covered the period July 1, 2017 through June 30, 2018. NC-SARA’s Bylaws call for the Executive Committee to “Identify an auditing firm for periodic audits, receive the audits, and report findings to the Finance Committee and Board.” (Article II, Section 2, C, v.)

The Executive Committee selected RubinBrown, LLP to perform the FY 2017 audit. RubinBrown staff worked closely with NC-SARA’s accountants (Flewelling & Mitton, PC) and did fieldwork in the NC-SARA offices August 21-24, 2017.

The audit report will be provided separately.

Paul Lingenfelter will report the results of the audit.
NC-SARA AGENDA ITEM

November 3, 2017

Agenda Item V: Finance Committee report

Action Item: ☑ Yes ☐ No

Teresa Lubbers, Treasurer, will present the First Quarter, FY 2018 Finance Report.

- Finance Report (First Quarter, FY 2018)
- Request from NEBHE to replenish reserve funds

Action Items: Item (b) requires board approval.

Background

a) Finance Report

The First Quarter, FY 2018 Finance Report will be provided separately. Teresa Lubbers, Treasurer, will present the Report.

b) (ACTION ) Request from NEBHE to replenish reserve funds

In May 2017 the Board adopted the following policy regarding financial reserves for the regional compacts and NC-SARA.

SARA Reserves Policy – Approved May 11, 2017

- Each regional compact is to be allocated SARA-related reserve funds as determined by the board
- NC-SARA is to be allocated for reserve funds an amount equal to half of NC-SARA’s annual operating budget (as determined);
- SARA reserve funds are in addition to the annual allocation by NCSARA to the four regional compacts and will be restricted for use by the compacts for the administration of SARA in their respective regions for either the year they are received or in future years. Each compact will monitor the funds in accordance with its established finance and accounting policies.
- NC-SARA will treat its reserves similarly and will hold them in a separate account.
- SARA reserve funds are for emergency or unanticipated SARA-related needs, expenses, requirements.
- Expenditures of reserve funds by any SARA partner shall be reported to NC-SARA’s finance committee.
- If expended, reserve funds would be replenished upon approval by NC-SARA.
- At least $50,000 in reserve funding shall be provided each SARA partner per quarter, having begun with the third-quarter allocations of FY 2017 and continuing in FY 2018 until reserves are fully funded.

NEBHE has submitted the following request:
October 10, 2017

Marshall Hill, Executive Director
NC-SARA
3005 Center Green Drive, Suite 130
Boulder, CO 80301

Dear Marshall,

I hope this finds you well. I write to inform you regarding our recent use of such reserve funds, in keeping with the policies and protocols related to such funds. As you know, to date, NEBHE has received $175,000 of the scheduled allocation of $250,000 of the reserve funds. I understand from you that the remaining $40,000 is expected to arrive this week.

As you are aware, NEBHE has worked diligently over the last 5 years to engage the Commonwealth of Massachusetts regarding SARA membership. Beginning in April 2017, those efforts expanded significantly to resolve an impasse and to focus on direct engagement with the Office of the Attorney General (OAG), the Massachusetts Department of Higher Education (DHE) and the Commonwealth’s Executive Office of Education (EOE). Accordingly, NEBHE undertook additional and unanticipated expenses involving extensive legal advice and government/agency relations work.

These efforts were critically needed to resolve tensions, to align opportunities for resolution with the timing of the legislative session and to open the door for direct conversations with the Office of the Attorney General to explore detailed solutions for reconciling NC-SARA policies with Massachusetts’s regulations. Marshall, you have been deeply involved in their progress, and we have appreciated and valued your support throughout the process.

NEBHE has expended a significant portion of our reserves on the strategies and activities just described. We hope that NEBHE qualifies, per NC-SARA discussions and policies regarding the need to occasionally replenish reserve funds, to have our reserve account compensated with an equivalent amount when there is opportunity to do so. I ask that you forward our request to the NC-SARA Executive Committee for consideration and action.

Thank you for your steadfast support throughout this lengthy and sometimes challenging process. Michael and I are both available to discuss this request.

Respectfully,

Sandra J. Doran, Esq.
N-SARA Director
New England Board of Higher Education

CC: Michael K. Thomas, President & CEO, NEBHE
Paul Lingenfelter, Board Chair, NC-SARA
NC-SARA AGENDA ITEM

November 3, 2017

Agenda Item VI: Institutional fees for FY 2019 and FY 2020

Action Item:  ✔ Yes   ☐ No

Background:

Fees for an institution to participate in SARA potentially consist of two parts. The first is a required SARA fee paid to NC-SARA. This annual fee is based on an institution’s total full-time equivalent (FTE) enrollment as submitted to the federal Integrated Post-secondary Education Data System (IPEDS) each fall as 12-month FTE enrollment. In addition, states have the option of charging SARA participant institutions a fee to cover the state’s costs in administering SARA. (SARA Manual, Section 3.4) Information about state fees will be distributed at the meeting.

Current NC-SARA fees (through June 30, 2018) are as follows:

<table>
<thead>
<tr>
<th>Enrolled FTE</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 2,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>2,500-9,999</td>
<td>$4,000</td>
</tr>
<tr>
<td>10,000 or more</td>
<td>$6,000</td>
</tr>
</tbody>
</table>

Those fees have been in place since SARA states began enrolling institutions in early 2014.

NC-SARA’s fees are reconsidered by NC-SARA every two years.

Staff recommendation: Continue NC-SARA institutional participation fees at the current level for the next two years (through June 30, 2020).
NC-SARA AGENDA ITEM

November 3, 2017

Agenda Item VII: Modifications to SARA Manual

Action Item: ☑ Yes □ No

Background:

Section 3.2 of the SARA Manual contains policies on the “Provisional admission or renewal of an institution.” Those policies currently fail to address certain situations that have arisen between the time when an institution is approved by its state to participate in SARA (either initial approval or re-approval) and subsequent re-approvals.

After discussion with state and regional SARA staff, NC-SARA staff recommend the following modifications. Recommended new language is in red and underlined; language recommended for removal is struck through.

SARA Manual
3.2 Provisional admission or renewal of an status for SARA institutions

a. A state, at its discretion, may approve an institution applying for initial or re-newal participation in SARA to participate on provisional status in any of the following circumstances:

1. If the institution is on probationary status or the equivalent with its institutional accrediting association;
2. If the institution is currently using a letter of credit or is under a cash management agreement with the U.S. Department of Education;
3. If the institution is the subject of a publicly announced investigation by a government agency, and the investigation is related to the institution’s academic quality, financial stability or student consumer protection; or
4. If the institution is the subject of a current investigation by its home state related to the institution’s academic quality, financial stability or student consumer protection.

b. States shall notify their regional compact and NC-SARA of their admission or renewal of an institution on provisional status. NC-SARA will provide indication of the institution’s provisional status on the NC-SARA website.

c. An institution admitted to or renewed for SARA participation in provisional status is subject to such oversight measures as the home state considers necessary for purposes of ensuring SARA requirements are met regarding program quality, financial stability and consumer protection, including enrollment limits if deemed necessary and appropriate by the home state. The home state shall report to its regional SARA advisory committee at least once a year on the status of any institutions admitted or renewed in provisional status.
d. An institution admitted to or renewed for SARA participation in provisional status shall remain in that status for a period not to exceed one year.

e. In the event that its home state determines that an institution on SARA provisional status is no longer subject to any of the conditions set forth in Section (a), its home state shall remove the institution’s designation of provisional status and shall notify the regional compact and NC-SARA.

f. If an institution on SARA provisional status is found by its home state to not meet the requirements of SARA, the home state shall disallow any further enrollments under SARA, shall notify its regional compact and NC-SARA, and:

1. Remove the institution from SARA participation, or
2. Allow the institution a period of time not to exceed 12 months in which to come into compliance with SARA standards under state supervision. Only one such grace period is allowed in any three-year period.

g. If an institution on SARA provisional status is found by its home state not to meet the requirements of SARA, the home state shall allow any students enrolled in the institution under SARA at the time of the finding of noncompliance a period of six months in which to conclude their work at the institution, irrespective of the institution’s SARA status.

3.3 Provisional status of an institution between renewal periods

A state, at its discretion, may place an institution on provisional status at any time if the institution is subject to any conditions set forth in Section 3.2.a or if the institution’s federal financial composite score falls between 1.0 and 1.5. An institution placed on provisional status shall remain in that status until its next renewal date, at which time the state will determine if the institution will be removed from SARA participation or renewed for SARA participation for no longer than one year, while still on provisional status.

Staff recommendation: Approve the indicated modifications.
NC-SARA AGENDA ITEM

Agenda Item VIII: SARA'S Impact: Spring 2017 Enrollment Report

Action Item:  □ Yes  ☑ No

Marshall Hill will provide an oral report
NC-SARA AGENDA ITEM

November 3, 2017

Agenda Item IX: Modifications to NC-SARA Bylaws

Action Item: ☑ Yes ☐ No

Background

Because of the special relationship between the regional compacts and NC-SARA, NC-SARA Bylaws contain language regarding the service of regional compact presidents on the NC-SARA Board and the NC-SARA Executive Committee.

After consultation with the compact presidents, the Executive Committee recommends modification of the NC-SARA Bylaws as follows. (Recommended new language is in red and underlined; language recommended for removal is struck through.)

ARTICLE II
NC-SARA Membership and Executive Committee

Section 1: NC-SARA Membership

NC-SARA shall be made up of 17 to 23 individual National Council members. The duties and responsibilities of NC-SARA members are limited to those contained within these bylaws. Council members should come from the range of impacted groups to assure a wide range of support as the interstate reciprocity agreements are promoted and implemented, while also taking into consideration the need for those groups to have a permanent voice. Council members should 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 and state higher education executive officers.

a. Nomination and Election. NC-SARA shall fill vacant or soon-to-be-vacant positions regularly through a public nomination process. The Executive Committee of the Board shall consider nominees and recommend candidates to the Board for election. Prospective NC-SARA members may self-nominate or be nominated by others to serve. Council members shall be chosen through a majority vote of NC-SARA.

b. Selection Criteria. Though the board shall represent a diverse set of perspectives and interests, membership shall not be driven by numerical representation or delegated interests. Instead, members shall be selected based on their knowledge of the field, ability to work across multiple perspectives, and commitment to the collaborative work and success of SARA and NC-SARA.

c. Regional Compact Presidents. The presidents of the four named regional compacts, as described in Article I, Section 2, of these bylaws, (or their designees) shall be voting members of NC-SARA, but shall not be eligible to serve as the NC-SARA Chair, Vice Chair, or Treasurer. There shall be no term of office for the presidents of the regional compacts (or their designees), nor a limitation on consecutive terms.
d. **Resignation.** Any member may resign by written notice to the NC-SARA Executive Director and the NC-SARA Chair.

e. **Removal.** Any NC-SARA member who misses two consecutive NC-SARA meetings without advance notice or justification shall automatically lose his or her membership. Additionally, NC-SARA, at its discretion, may remove a member at any time for due cause by two-thirds vote of all NC-SARA members.

f. **Terms of Office.** Except as provided for in Article II, Section 1, c (page 2), the initial NC-SARA members shall be assigned two- and three-year terms randomly. All subsequent members of NC-SARA shall serve three-year terms and begin terms as a class. No member may serve more than three consecutive terms. The term of office for board members shall end at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term, and the terms of successor board members shall begin at that same time, or upon appointment if filling a mid-term vacancy.

g. **Vacancies.** When a vacancy on NC-SARA exists mid-term, this seat may be filled through a special nomination process determined by the Executive Director in consultation with the Executive Committee. Any NC-SARA member selected to fill a vacancy shall serve the remainder of the term for the vacant seat, but may continue to serve if elected through the general nomination and selection process.

h. **Compensation.** NC-SARA members shall not receive compensation for their service, but may be reimbursed reasonable travel costs associated with attendance at NC-SARA meetings and any Executive Committee, ad hoc committee, or task force meetings.

i. **Officers.** NC-SARA shall have three officers: the Chair, Vice Chair, and Treasurer. Officers shall serve two-year terms, ending at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term. Officers shall have the following duties:

1. **The Chair.** The Chair shall convene and preside over all meetings of the Executive Committee and all general NC-SARA meetings.

2. **The Vice Chair.** The Vice Chair shall preside over meetings in the absence of or at the request of the Chair.

3. **The Treasurer.** The Treasurer shall oversee the management and reporting of NC-SARA finances.

**Section 2: Executive Committee**

An Executive Committee shall provide support and guidance to the Executive Director on a regular basis.

a. **Executive Committee Action.** When matters require timely execution and, for practical reasons, cannot wait for a formal meeting of the full NC-SARA membership, the Executive Committee may act for and exercise all the powers of NC-SARA, except as such actions and powers are reserved to the members in accordance with these bylaws. Such actions by the Executive Committee shall be promptly reported to the full membership.
b. Membership. The Executive Committee shall be elected by NC-SARA. There shall be eight members of the Executive Committee, all of whom shall be currently serving NC-SARA members and two of whom shall be the president of a participating regional compact. The four regional compact presidents shall choose which two of their members shall serve on the executive committee, and those designated members shall serve on the committee without term limits. Otherwise, Executive Committee members shall serve a two-year term, ending at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term. Executive Committee members shall have an option to serve an additional two-year term, with the approval of NC-SARA. The Chair, Vice Chair, and Treasurer of NC-SARA shall serve on the Executive Committee ex officio, without regard to term limits on the Executive Committee. The Chair and Vice-Chair of NC-SARA shall be Chair and Vice-Chair, respectively, of the Executive Committee. The Executive Committee shall also include the following non-voting individuals in its meetings:

i. Executive Director. The Executive Director (described in Article III, Section 2, below) shall serve on the Executive Committee, but shall not vote on any matters.

ii. Past Chair. The Chair from the previous term shall serve as confidant and advisor to the Chair, but shall not be required to attend Executive Committee meetings.

c. Specified duties. The Executive Committee shall have the following specific responsibilities:

i. Solicit and consider nominations for NC-SARA Board Members and recommend candidates to the NC-SARA Board for the Board’s consideration and election.

ii. Solicit nominations for NC-SARA officers, Executive Committee and Finance Committee members from the full Board, and recommend candidates to the Board for its consideration and election.

iii. Evaluate the performance of the NC-SARA Executive Director and, in consultation with the Finance Committee, recommend his/her compensation to the NC-SARA Board prior to the beginning of each fiscal year.

iv. Assess evolving distance education issues and practices, review proposals or requests for substantive changes to SARA policies, procedures and agreements, and recommend any necessary or advisable changes to the Council.

v. Identify an auditing firm for periodic audits, receive the audits, and report findings to the Finance Committee and Board.

vi. Any other duties enumerated elsewhere in these bylaws or assigned to the committee by the Chair of NC-SARA.

d. Vacancies on the Executive Committee. Vacancies on the Executive Committee shall be filled by vote of a majority of the remaining members of the Executive Committee. A person so elected shall serve until the next meeting of the membership of NC-SARA, at which time a special election shall be held to fill the vacancy for the remainder of the unexpired term.

Staff recommendation: Approve the modifications as indicated.
NC-SARA AGENDA ITEM

November 3, 2017

Agenda Item X: Election of officers and committee members

Action Item:  ✓ Yes  □ No

   a) Election of officers – Chair, Vice-chair, Treasurer
   b) Election of members of the Executive Committee
   c) Election of members of the Finance Committee

Background

NC-SARA Bylaws regarding officers and the executive committee – See prior agenda item (IX).
NC-SARA Bylaws regarding the Finance Committee – See following.

NC-SARA Bylaws

ARTICLE V

Committees, Task Forces, and Common Interest Groups

Committees, task forces, and common interest groups may be appointed from time to time and report to the Executive Director, the Executive Committee, and/or NC-SARA, as appropriate.

Section 1: Formation of Committees and Task Forces

NC-SARA may create and dissolve committees and task forces as needed to serve in an advisory capacity. With the exception of the Finance Committee and the Executive Committee, the NC-SARA Chair, in consultation with the Executive Director, shall appoint all committee and task force chairs.

Section 2: Duties of Committees and Task Forces

All approved committees and task forces shall provide an update on their activities at Executive Committee meetings, upon the Chair’s or the Executive Director’s request, and at meetings of the full NC-SARA membership until they complete their work or are dissolved. Any use of NC-SARA funds to support a committee or task force shall be approved by the Executive Director in consultation with the Executive Committee.

Section 3: Finance Committee

The Finance Committee shall be comprised of five members, including the Treasurer, who shall chair the Committee. The Chair of NC-SARA shall serve as an ex-officio member. The members shall include one of the four regional compact presidents, chosen by the compact presidents. Members of the Finance Committee shall be elected by NC-SARA and shall serve two-year terms. Finance Committee members shall have an option to serve an additional two-year term, with the approval of NC-SARA. The Finance Committee shall review the annual budget for SARA, developed by the Executive Director of NC-SARA in collaboration with the presidents of the four regional compacts, prior to its consideration by the Board. The Executive Committee shall identify an auditing firm for periodic audits, receive the audits, and report findings to the Finance Committee and Board.
NC-SARA AGENDA ITEM

Agenda Item XI: (Discussion) SARA process for obtaining input on policy proposals
– Paul E. Lingenfelter

Action Item: ☐ Yes ☑ No

Background

The SARA initiative was developed over an extended period with extensive interaction among numerous groups. That process required a spirit of trust and a willingness of participants to compromise. The resulting framework has proven remarkably successful.

Changing institutional practices, evolving state interests, and changing leadership in the broad SARA community make evolution inevitable. NC-SARA in May 2015 adopted the following provisions for dealing with questions and considering proposed modifications to SARA policies and procedures. See especially Sections 8.2 and 8.3.

Paul Lingenfelter will lead a discussion on the issue in the context of a now much larger SARA community.

SARA Manual

Section 8
Responding to Questions and to Requests
to Modify SARA Policies and Standards

8.1 Basic Procedure for Questions about SARA

Questions inside an institution

In general, questions from faculty, students or other interested people inside an institution should go first to the institution’s SARA liaison officer if one has been designated.

Questions from an institution’s SARA liaison staff regarding SARA

Questions from institutions, including questions about initial application for or renewal of SARA participation, should go first to the State Portal Entity (SPE), which can refer questions to the appropriate SARA regional director as needed.

State specific SARA Activities – direct question to STATE PORTAL ENTITY
  State SARA Fees
  Institution application status
  Institution renewal status
  Institution renewal defaults – deadlines missed and late fees
  Institution Accreditation changes
  Institution SARA status changes

SARA Policies and Procedures – direct question to REGIONAL COMPACT
  State application status
  State renewal status
  Questions about C-RAC Guidelines
National Reporting and SARA Oversight – to NC-SARA OFFICE

NC-SARA Salesforce activity
Complaint reporting
Enrollment reporting
NC-SARA payment activity
  Initial NC-SARA payment
  Renewal NC-SARA payment
  NC-SARA late fees

8.2 Minor modifications

a. Process

Questions, comments, or suggested modifications to SARA Policies and Standards may be brought to the attention of:
  • SARA portal entity directors in SARA states;
  • SARA directors in the regional compacts;
  • Regional SARA steering committees; or
  • The executive director of the National Council for State Authorization Reciprocity Agreements (NC-SARA).

Such communications shall be dealt with in as expedient a manner as possible, while ensuring broad consultation and consistency across the SARA community.

Unresolved questions, concerns, or comments shall involve further consultation among state SARA portal entity directors, regional and NC-SARA staff. The NC-SARA executive director and NC-SARA staff shall work with regional directors to develop and/or propose responses. As appropriate, that process may include consultation with the SARA steering committees in the regional compacts and with the NC-SARA board. The executive director is responsible for ensuring that responses are developed.

b. Minor Modifications

The Executive Director may approve and promulgate clarifications and minor modifications that do not substantively change SARA provisions, after concluding the consultative process described above.

8.3 Significant Modifications

Ultimately, it is the responsibility of the executive director of NC-SARA to ensure broad consultation among the regional compacts, NC-SARA, and the SARA community at large in developing responses to requests for significant modifications to NC-SARA Policies and Standards and/or to the Unified State Authorization Reciprocity Agreement.

Requests for significant changes should be addressed to the executive director of NC-SARA, who will work with the regional compacts, their SARA steering committees, the NC-SARA executive committee, and the NC-SARA board to ensure consideration and resolution. Persons making such requests should provide a rationale supporting their request.

In responding to and ultimately acting on such requests, regional and national SARA staff and oversight committees shall evaluate proposed changes in light of SARA’s fundamental reliance on interstate reciprocity and trust, and on the fundamental
purposes of SARA, which are to support high quality, resolve problems encountered by students, and simplify and support the interstate offering of distance education using a model under which an institution’s home state is primarily responsible for what the institution offers under the aegis of SARA.

Other guiding principles for the review, clarification and modification of SARA policies, standards and agreements include:

- Broad consultation with key stakeholders;
- Maintaining consistency in policy and procedures;
- Transparency and openness; and
- Responsiveness to stakeholders and emerging policy issues.
NC-SARA AGENDA ITEM

Agenda Item XII: Information Items

Action Item: □ Yes ☑ No

A: Update on Student and Institution Support project

Background

On May 11, 2017, the Board approved the development of additional student and institution support resources for the NC-SARA website. Marshall Hill and Mary Larson (Associate Director for Student and Institution Support) will provide an update.

B: U.S. Department of Education rules on state authorization of distance education

Background

In December 2016, the U.S. Department of Education issued rules on the state authorization of distance education, set to take effect on July 1, 2018. The rules are complex and controversial, and many institutions will be severely challenged to come into compliance with them. For those and other reasons, several organizations and numerous institutions have called for the Department to either: issue clarifications, delay implementation, or eliminate the rules entirely. (NC-SARA commented on the rules’ definition of a “state authorization reciprocity agreement” – see following.) As of mid-October, there has been no indication from the Department as to its intentions.

The Department could: let the rule go into effect as written, issue clarifications, defer implementation, make the rules subject to additional negotiated rulemaking, respond to Congressional action on the issue, or take other steps.
Dear Ms. Malawer,

In response to the Department of Education’s June 22, 2017 request for comments on regulations that may be appropriate for repeal, replacement, or modification, the National Council for State Authorization Reciprocity Agreements (NC-SARA) offers the following comments on the December 19, 2016 amendments to the state authorization sections of the Institutional Eligibility regulations (34 CFR – Part 600) and amendments to the Student Assistance General Provisions regulations 34 CFR – Part 668).

Our organization

NC-SARA is an independent 501(c)(3) organization that provides a voluntary, regional approach to state oversight of postsecondary distance education delivered across state lines. Forty-eight states (plus the District of Columbia and the U.S. Virgin Islands) currently are members of SARA; about 1,600 institutions currently participate. Our close partners in this work are the country’s four regional education compacts: 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).

Support for general intent

We support the rule’s requirement that institutions participating in Title IV programs must be able to demonstrate to the Department that they have obtained all necessary state authorization to offer distance education in each State in which they enroll students. We appreciate the Department’s determination that institutions may demonstrate that compliance to the Department either by documenting each individual State’s approval or through institutional participation in a state authorization reciprocity agreement covering those States in which the institution enrolls distance education students.
We also support the rule’s requirement of institutional disclosures to students (both general and individualized disclosures) confirming whether the institution’s programs meet educational requirements for professional licensure (e.g., in nursing, physical therapy, teaching, etc.) in the State in which the student would receive the instruction.

We are aware that other organizations are providing detailed suggestions for improvements to those notification and disclosure requirements; we therefore will focus our comments on the rule’s definition of “state authorization reciprocity agreement,” which is our principal concern.

**Definition of “state authorization reciprocity agreement”**

As we have previously commented to the Department, we believe the rule’s definition of a “state authorization reciprocity agreement” is problematic. That definition is as follows, and we have italicized the text that concerns us:

34 CFR Section 600.2 Definitions State authorization reciprocity agreement: An agreement between two or more States that authorizes an institution located and legally authorized in a State covered by the agreement to provide postsecondary education through distance education or correspondence courses to students residing in other States covered by the agreement and does not prohibit any State in the agreement from enforcing its own statutes and regulations, whether general or specifically directed at all or a subgroup of educational institutions.

Some individuals are interpreting the italicized text to mean that a state authorization reciprocity agreement that is acceptable to the Department must allow a State that is a member of the agreement to enforce its own statutes and regulations even if those statutes and regulations conflict with the provisions of an agreement (e.g. SARA) into which the State willingly entered.

We do not believe the Department intended this particular interpretation, an interpretation that would in effect nullify any agreement. Our belief was confirmed by former Under Secretary Ted Mitchell in his letter of January 18, 2017 to Marshall A. Hill, NC-SARA’s executive director and Russ Poulin of WCET (enclosed).

We agree with Mr. Mitchell’s points, and ask that the Department, as part of a new Administration, at minimum clarify the meaning of the problematic text as soon as possible by confirming in an official manner the following points:

- States may enter into a “state authorization reciprocity agreement” to increase the efficiency and effectiveness of regulation of the interstate delivery of postsecondary distance education;

- The Department recognizes an institution’s participation in such an agreement as sufficient documentation of the institution’s having received authorization to enroll via distance education students located in States party to such an agreement;
• If States choose to enter into such agreements, they must work with member States of the agreement to resolve any inconsistencies between the joining State’s statutes and regulations and the terms and conditions of the agreement prior to joining the agreement;

• Such a process demonstrates that the State’s statutes and regulations are not superseded by the terms and conditions of the agreement;

• The State members of such an agreement are not required to accept as members States with statutes or regulations that conflict with the terms of the agreement. Alternatively, through whatever means possible the Department could simply remove the problematic text, as indicated below:

**34 CFR Section 600.2 Definitions** State authorization reciprocity agreement:
An agreement between two or more States that authorizes an institution located and legally authorized in a State covered by the agreement to provide postsecondary education through distance education or correspondence courses to students residing in other States covered by the agreement. and does not prohibit any State in the agreement from enforcing its own statutes and regulations, whether general or specifically directed at all or a subgroup of educational institutions.

We appreciate the opportunity to comment on this matter and would be pleased to work with the Department to resolve our concerns.

Sincerely,

[Signature]

Paul E. Lingenfelter
Chair, NC-SARA Board
C: 2018 meeting locations and dates

Meeting dates and locations for 2018 will be announced at the November 3, 2017 meeting

- Spring NC-SARA Meeting -- TBD
- Fall NC-SARA Meeting -- TBD
- Fall SARA States’ Meeting -- TBD

D: Status of current year’s work

Thus far in FY 2018, NC-SARA staff have given major attention to: the production and release of the Spring 2017 Enrollment Report, meetings with the regional SARA steering committees at each of the four compacts, convening and hosting of the 2017 SARA

- July 17-18, 2017
  MHEC Regional Steering Committee
  Chicago, IL

- July 25-26, 2017
  NEBHE Regional Steering Committee
  Sturbridge, MA

- July 27-28, 2017
  WICHE Regional Steering Committee

- September 6-7, 2017
  SARA States’ Meeting
  Austin, TX

- September 18-19, 2017
  SREB Educational Technology Cooperative
  Atlanta, GA

- September 20, 2017
  WCET SAN Workshop
  Boulder, CO

- October 3, 2017
  Florida SARA Webinar

- October 5, 2017
  Florida Association of Colleges for Teacher Education
  Daytona Beach, FL

- October 16-17, 2017
  SREB Regional Steering Committee
  Atlanta, GA
NC-SARA AGENDA ITEM

Agenda Item XIII: Executive Session

Agenda Item XIV: Questions, comments, reflections from Council members

Adjourn