Minutes

NC-SARA Board Meeting

May 7, 2015

Revere Hotel, Boston Massachusetts

NOTICE OF MEETING

Notice of the time and place of the NC-SARA board meeting was given to board members, regional SARA directors, Lumina Foundation, Bill and Melinda Gates Foundation, and other interested parties.

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

CALL TO ORDER AND INTRODUCTIONS

Chair Paul Lingenfelter called the meeting to order at 9:00 a.m. (EST)

Council Members in attendance:

Kathryn Dodge
Larry Isaak
Paul Lingenfelter
David Longanecker
Teresa Lubbers
M. Peter McPherson
Patricia O’Brien
Pamela Quinn
Paul Shiffman
David Spence
Helena Stangle
Michael Thomas
Terry Hartle

Council Members not in attendance:

Barbara Ballard
Arthur Kirk, Jr.
Leroy Wade
Belle Wheelan
Dianne Harrison
George Ross
Council staff in attendance:
Lisa Greco
Marshall Hill
Michelle Perez-Robles
Jennifer Shanika
Alan Contreras

Regional Compact SARA Directors
and Staff in attendance:
Sandra Doran, NEBHE-SARA
Mary Larson, SREB-SARA
John Lopez, W-SARA
Jennifer Parks, MHEC-SARA
Kris Biesinger, SREB-SARA
Kiley Danchise-Curtis, NEBHE-SARA

Bill and Melinda Gates Foundation
Staff in attendance:
Travis Reindl

Lumina Foundation Staff in attendance:
Christine Marson

Guests: Liberty University Financial Aid Office
Steven Clark - State Approvals Coordinator
Welcome and Introductions
Paul Lingenfelter welcomed the Council members and others all present.

Patricia O’Brien and Michael Thomas moved that the minutes reflect the Council’s appreciation for the valuable contributions of Michelle Perez-Robles and Lisa Greco as they leave SARA. All board members agreed by acclamation.

I. Action Item: Approval of minutes
The minutes of the December 2, 2014 NC-SARA board meeting were reviewed by the Council. M. Peter McPherson moved to approve the minutes; Pam Quinn seconded the motion. The motion passed with all members present voting “yes”.

II. Action Item: Technical Changes to NC-SARA Bylaws to facilitate the application for status as a 501 (c) (3) non-profit organization. (Item IV in published agenda)
Paul Lingenfelter called the attention of the Council to a series of technical amendments to the bylaws of NC-SARA prepared by legal counsel to facilitate the preparation of an application for NC-SARA to be approved as a 501 (c) (3) non-profit corporation. A copy of these actions is appended to these minutes. Peter McPherson suggested that the Council consider approving the presented series of actions in a single vote, to be taken at the conclusion of discussion. All members present agreed to this procedure, and Legal Council, Gary Capps of Nelson Mullins Riley & Scarborough LLP, said that approval would meet all legal requirements. In addition to the modifications to the bylaws, the proposed actions included the election of Marshall Hill to serve as Secretary as well as Executive Director.

Terry Hartle moved to approve; Michael Thomas seconded. This item was passed with unanimous approval.

Gary Capps mentioned that he expects the documents to be filed by the end of May, with three to four months expected for official recognition as a 501(c) (3) organization.

During discussion regarding the Conflict of Interest forms, M. Peter McPherson inquired about the wording not being clear regarding a board member also being affiliated with an institution. Marshall Hill clarified that there is possibility of recusal, and the likelihood of an issue with an institution reaching the board is extremely remote. If a scenario comes up where there would be a potential conflict, a disclosure is required to be made to the board and legal counsel will be sought if necessary.
III. Action Item: Update of Progress of the SARA Initiative

Marshall Hill reported that there has been great progress and activity in all states and believes that all states will eventually become SARA states. The New York Board of Regents is empowered to enter into an interstate reciprocity agreement and in late February unanimously directed their staff to do what is necessary to make New York a SARA state. The District of Columbia has reached an agreement with SREB to affiliate with them in order to participate in SARA. Currently there are twenty-one SARA states and several additional states with membership pending. Around 250 institutions have signed on thus far, with 58% of those being public, 33% private/non-profit, and 8% being for-profit institutions.

Hill also reported that some individuals and organizations not supportive of SARA have used Corinthian College’s recent failure as a warning of the possible weakness of SARA in allowing for-profit institutions to participate. He observed that: 1) Corinthian would not qualify for SARA membership, as its financial responsibility index scores are too low; 2) Any for-profit institutions admitted to SARA, whether or not they are regionally accredited, must accept and comply with C-RAC guidelines for offering distance education, thereby elevating expectations.

Hill indicated that state SARA portal agencies are required to report to NC-SARA on a quarterly basis how many complaints against SARA institutions have been appealed to them and how those complaints have been resolved. Those reports are now on the NC-SARA website. Because is the first time any such reporting has been done, there have been few or no complaints. The staff is starting work on the next phase of data collection: enrollment reporting by institutions. They have a consultant to develop a data sharing agreement and a data reporting manual. In early fall they will also be hiring a consultant to do a cost study.

Larry Isaak, MHEC President, updated the Council on the progress of SARA in the Midwest. He noted that Iowa is close to joining SARA and the Michigan Senate is considering SARA legislation. He hopes to have Michigan’s application submitted in July. There is progress in Wisconsin and every Indiana public institution has now joined SARA.

Michael Thomas, NEBHE president and CEO, informed the Council that New Hampshire and Vermont are now SARA states and New Hampshire is starting to accept applications from its institutions. Vermont is expected to follow shortly. Progress has been made in Maine, Rhode Island, Connecticut, and Massachusetts.

David Spence, SREB President, informed the Council he expects to have half of the 16 SREB states on board by early 2016. Mary Larson stated they are predicting eight SARA states by the end of 2015. Louisiana, Virginia, and West Virginia are now SARA states and Arkansas’ application is currently under review. Oklahoma is expected to submit its application in June. Maryland is expected later this fall and Tennessee legislation is proceeding. Texas legislation is in process and Georgia, which does not need legislation, will apply later this year. North Carolina is expected to present SARA membership to the NC Board of Governors in May or June. SREB’s plan is to announce a dissolve date for their current electronic campus regional reciprocity agreement the first part of 2016, therefore giving the remaining
states eighteen months to two years to continue use of the SREB reciprocity agreement while they consider joining SARA.

David Longenecker, WICHE President, said that both Utah and Hawaii have passed SARA legislation, but a great deal of work remains in those states. California’s legislation has been tabled for the time being. He expects CA legislation to pass in 2016. The Commonwealth of the Northern Marianna Islands is looking into legislation. The number of SARA states in the region is expected to be twelve by end of May.

Longenecker informed the Council of a situation regarding a Colorado institution with questionable online activities and the response by the Colorado Department of Higher Education (the state’s SARA portal agency) to examine and address the situation. He stated that this case demonstrates that SARA states are serious about upholding good practice.

Pamela Quinn asked about state SARA agencies charging fees for institutional participation in SARA. Marshall Hill responded that SARA has no restrictions on what states may charge for SARA participation, so long as they have a reasonable rationale for their pricing structure. At this point, 12 of the 20 SARA states are charging fees.

Patricia O’Brien moved to accept the progress reports. Terry Hartle seconded. Motion unanimously approved.

IV. Action Item: Finance Report
Larry Isaak reported that by July 1, 2015 SARA will mostly be relying on institutional fees. There will still be some compacts utilizing grant revenue. A basic financial report including tables was provided with the agenda materials and is on file at the NC-SARA office. Marshall Hill informed the Council that there will be a cost study conducted this fall by an external consultant. Institutional fee rates will be reevaluated at the end of 2015.

The Council discussed the advisability of establishing financial reserves for the SARA partners. Marshall Hill reminded them that previously approved policy states that when we reach our target revenue, we will start accumulating reserves. Reserves are currently set at 50% of annual revenues. Teresa Lubbers suggested that this policy be articulated to the states, along with the expectation that it is projected to occur in less than five years.

The finance report, sent to members prior to the meeting, is provided as an exhibit to these minutes; a copy is on file at the NC-SARA office.

Motion to approve Action Item IV by Larry Isaac. Paul Shiffman seconded. Motion passed with all present voting “yes.”
V. Action Item: Approval of Budget
After commenting that future budgets should contain greater detail, Terry Hartle agreed to approve the budget. Marshall Hill agreed with Mr. Hartle’s comment and provided information regarding the development of new budget projections. The budget, sent to members prior to the meeting, is provided as an exhibit to these minutes; a copy is on file at the NC-SARA office.

Motion to approve Action Item V by Larry Isaac. Paul Shiffman seconded. Motion passed with all present voting “yes.”

VI. Action Item: Additions and Modifications
Marshall Hill suggested that the Council consider voting on all sub-items at once. Members unanimously agreed.

A. Proposed Policy Regarding Native American Tribal Colleges
Alan Contreras led a discussion on how Native American Tribal colleges relate legally to the state. Legal counsel Rick Masters, engaged by NC-SARA staff, has advised that, in his opinion, there is no reason why tribal colleges can't participate in SARA like other non-public institutions, as the institution, rather than the tribal government, signs the agreement with the state SARA portal agency, not the tribal government. One potential issue in treating tribal colleges like a private entity rather than public (as they are federally) would be the need for the state to determine a financial score, which currently isn't required by the federal government. There may be the need for minor adjustments to the application language, but NC-SARA staff believes that there are no significant issues that would prohibit tribal college participation in SARA.

B. Modifications to Policies and Standards
The Council discussed processes for consideration of changes to SARA. As of now, Marshall Hill responds to questions regarding clarification of terms. If there appears to be a need to significantly modify policy or make changes to the fundamental principles after consultation with regional SARA directors, he recommends their consideration by the Council. Responses to questions and recommendations for council-level change are developed through a consensus-based approach. He advocated the continuation of that policy, but recommended that it be made more transparent by its inclusion in the Policies and Standards document. He suggested that the Council confirm that he has the delegated authority to continue to address interpretative issues, consistent with the policies that have been set. Larry Isaak stated that he is in support of this policy because it establishes that any significant change would undergo a thorough and comprehensive review process at the appropriate levels.

Adjustment: Change in language in Item V (B) that specifically states that certain matters will be brought to the Council and change “NC-SARA” to “NC-SARA Board” and replace “substantive” with “significant”.

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C. SARA Denial of an Institution’s Continued Participation in SARA
Alan Contreras explained to the Council the policy language describing how a SARA institution may be denied further participation. The action proposed clarifies that institutions may be denied further participation by their state, not by the regional compacts.

D. Notification of Appealed Complaints
Marshall Hill explained that this item simply would require that a SARA state portal agency that receives an appealed complaint must notify the state in which the student is located of receipt of that complaint. David Longanecker remarked that he believed that statement regarding the two-year deadline and the possibility that an institution could manipulate the process by delaying the complaint resolution timeline, had previously been addressed and the language altered. Alan Contreras replied that he would review that prior discussion, and, if change appeared warranted, would bring a recommendation to the Council for its consideration.

Action Item:

Paul Lingenfelter moved to approve items V, a-d. Terry Hartle seconded. Motion passed unanimously.

VII. Information Items

B. Liability Insurance for Members of SARA
Marshall Hill stated that he has identified a likely agency to provide limited liability coverage. He will keep the Council informed as to progress.

C. Renewal Form for SARA Institutions
The first SARA institutions are coming up for renewals shortly, Marshall Hill stated. This will be done online, with a 90-day renewal notice. The process uses a simplified version of the institution’s original application forms, while requiring a new affirmation by the president or provost of the institution that SARA requirements are met by the institution. Institutions that do not pay their membership fees on time, following a 30-day grace period, will incur a 25% surcharge. If they do not pay within that time, they will no longer be SARA institutions. Should they wish to rejoin, they would have to start the application process from the beginning.

D. First Reporting of Appealed Complaints by SARA Portal Agencies
Marshall Hill reported that the first round of appealed complaint reporting has been completed. The results are on the NC-SARA.org website.

E. Coming FAQ’s
Marshall Hill said that he was bringing these two questions to the Council to allow them to express any concerns prior to his providing answers to them on the NC-SARA web site.
Two questions continue to arise: 1) Can an institution that does not offer distance education join SARA to take advantage of its other benefits? SARA staff believes that the answer should be “yes.” First, they believe a very small number of institutions would want to take this approach, and if they needed to, they could quickly add an online course or two to be viewed as a “distance education offering institution.” 2) Dual Credit. Alan Contreras spoke of how SARA works with dual credit situations. "Dual credit" is defined as a situation where high school student earn both high school and collegiate credit at the same time. SARA deals with the offering of collegiate credit; it has no involvement with high school credit, the awarding of which is at the discretion of high schools and state education agencies.

Proposed FAQ Language:

Can an institution that does not offer distance education (online courses, interactive video, etc.) participate in SARA in order to obtain the benefits of SARA for purposes of placing students in supervised field experiences? Response: Yes. Supervised field experiences are considered distance education for purposes of SARA.

Are dual-credit courses offered in high schools by SARA participant institutions covered by SARA? Response: Yes, if they carry college credit or some other kind of postsecondary award or certificate. They are not covered if they are alternative high school completion courses that don’t carry a postsecondary award.

F. U.S. Department of Education Actions Affecting State Authorization
Marshall Hill reported that no actions have been taken by the Department and, no rules have been proposed.

G: FAQ’s Added since Last NC-SARA Board Meeting
Marshall Hill pointed out posted answers to new FAQs:

**Hybrid Programs:** Does SARA encompass hybrid programs in which some courses within a program are online while other components are residential at the host campus? Response: SARA covers those portions of such a program that take place via distance education across state lines among SARA member states. SARA covers single courses as well as programs. That includes courses that may not be credit-bearing, as long as they are offered by an accredited degree-granting institution. Whether the student is degree-seeking is irrelevant.

**State Authority to Bill for Costs of Investigating Institutions:** Can a state bill a SARA participant school in order to recover the actual costs of investigating a complaint? Yes, as long as there is an existing policy to do so.

H. NC-SARA Staff Work Plan for FY 2016
Marshall Hill briefly discussed the staff’s work plan for FY 2016.

**ITEM (H): NC-SARA STAFF WORK PLAN FOR FY 2016**
GOALS

Goal 1: Continue promoting state membership and institutional participation
Goal 2: Ensure financial self-sufficiency of SARA
Goal 3: Address operational maturation of the organization

Activities
1. Identify strategies to increase state membership and institutional participation
2. Refine the process for substantive change to NC-SARA Policies and Standards
3. Ensure operational efficiency for membership of 35-40 states and 1,000+ institutions to include:
   a. One SARA agreement, rather than four
   b. Listserv for portal agency leaders
   c. SARA cost study
   d. SARA state portal agency annual meeting
   e. SARA operations or policy manual
   f. Facilitate document-sharing among senior SARA staff (i.e., Sharepoint)
   g. SARA effectiveness and efficiency metrics
   h. Regular SARA webinars hosted by different regional compacts
   i. Evaluate need for promising (rather than best) practices document
   j. NC-SARA Annual Report (2016)
4. Position NC-SARA as a 501(c)(3) entity
5. Publish initial data collection, reporting and analysis re:
   a. Complaint system
   b. Distance education enrollment
6. Review existing policies and standards with regard to:
   a. Tuition refunds
   b. Clinical placements/supervised field experiences
   c. Biannual rather than quarterly reporting of complaint data
   d. Links to institutional distance education pages or Classification of Instructional Program (CIP) codes
7. Collaborate on potential solutions to other higher education policy topics
   a. Coordinate updates to SHEEO complaint process site
   b. Professional licensure
8. Manage solicitation of new board members

Audit of States: Larry Isaak suggested that he would like to start a discussion on looking at having the compacts do an audit of each state to ensure that the state is living up to
their obligations. He would like to get a formalized, standardized procedure in place for that.
An audit of SARA states for that purpose was added to the work plan.

All information items were discussed.

Motion to adjourn called by Paul Lingenfelter. Paul Shiffman so moved and Terry Hartle seconded. Motion approved with all present voting “yes.”

Adjourn.