NC-SARA National Council for State Authorization Reciprocity Agreements
NC-SARA National Council Meeting
The Westin Denver International Airport | Denver, CO
May 3, 2018
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Adjourn
AGENDA
Welcome and introductions — Paul E. Lingenfelter, Chair

Agenda Item I (ACTION): Approval of minutes of the November 3, 2017 meeting

Agenda Item II: 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 III (ACTION): Modifications to NC-SARA Bylaws regarding board member and officer term limits

Action Item IV (ACTION): Additions and modifications to the NC-SARA Manual
   a) Data submission requirements for institutions participating in SARA
   b) Clarifying the primacy of U.S. Department of Education rules affecting SARA institutions that participate in federal Title IV funding

Agenda Item V (ACTION): Enhanced support for distance education students, SARA states and SARA institutions
   a) Progress report on actions approved in May 2017
   b) ACTION: Consideration of creating a student-searchable database of academic programs offered at a distance by SARA institutions

Agenda Item VI (ACTION): Finance Committee – Leroy Wade, Treasurer
   a) Finance report (FY 2018 third quarter)
   b) Proposed FY 2019 budget

Agenda Item VII: Information Items – Marshall A. Hill
   a) USED rules on state authorization of distance education
   b) Status of current year work
   c) Executive Director presentations, November 2017-May 2018
   d) Dates of remaining 2018 meetings
      2018 State Portal Entity Meeting
         • September 18-20 in Salt Lake City, Utah
      2018 NC-SARA Board Meetings
         • October 31-November 1 in Memphis, Tennessee
Agenda Item VIII: Executive session

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

Adjourn at 3:30 p.m. (Mountain Time)
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NC-SARA AGENDA ITEM

Welcome and introductions — Paul E. Lingenfelter, Chair

Action Item: ☐ Yes ☑ No
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NC-SARA AGENDA ITEM

Agenda Item I: Approval of minutes of the November 3, 2017 meeting.

Action Item: ☑ Yes ☐ No
MINUTES OF THE NC-SARA BOARD MEETING
NOVEMBER 3, 2017
RADISSON BLU HOTEL ● MINNEAPOLIS, MINNESOTA

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 office at 3005 Center Green Drive, Suite 130, Boulder, CO 80301; and online at www.nc-sara.org.

Agenda Item I: Welcome and introductions
Paul Lingenfelter, Chair

Council members in attendance:
Barbara Ballard
Chris Bustamante
Joe Garcia
Dianne Harrison
Paul Lingenfelter
Teresa Lubbers
Leah Matthews
M. Peter McPherson
Patricia O’Brien
Pamela Quinn
Paul Shiffman
Michael Thomas
Larry Tremblay
Leroy Wade

NC-SARA staff present:
Marshall A. Hill
Mary Larson
Holly Martinez

Regional Compact SARA directors and staff present:
Somer Aly, WICHE SARA
Wanda Baker, SREB SARA
Kris Biesinger, SREB SARA
Jennifer Dahlquist, MHEC SARA
Sandy Doran, NEBHE SARA
Emily Jacobson, MHEC SARA
Elisa Jaden, SREB SARA
John Lopez, WICHE SARA
Jennifer Parks, MHEC SARA
Rachel Stachowiak, NEBHE SARA

Guests:
Kate McCarten, Minnesota Office of Higher Education
Yan Cao, Century Foundation

Council members in attendance by phone:
George Ross
Belle Wheelan
Michael Zola

Council members not in attendance:
Kathryn Dodge
Kathleen Santora
Peter Smith
David Spence
Agenda Item II (Action): Approve minutes of May 11, 2017

Barbara Ballard — moved
Diane Harrison — seconded
Approved unanimously.

Agenda Item III (ACTION): Update on progress of the SARA initiative

Marshall Hill reported on the addition of three new staff at the NC-SARA office:
Associate Director for Student and Institution Support – Mary Larson
Executive Assistant – Laura Green
Assistant Director for Business Operations – Shannon Walker

Dr. Hill reported on the State Portal Entity Meeting, held September 6-8, 2017 in Austin, Texas. Representatives from every SARA state, D.C. and the U.S. Virgin Islands attended — 75 people, total. NC SARA fully supports travel for one individual per state but allows two people from each state to attend.

Larry Isaack, Midwestern Higher Education Compact Update
MHEC is making staff changes regarding SARA work as SARA moves into operational, rather than startup, phase. Jennifer Dahlquist will be more directly involved and Emily Jacobsen will become the Program Manager. Jenny Parks will remain involved as a SARA advisor, but she will be assuming new responsibilities for new initiatives at MHEC. Mr. Isaak recognized Jenny’s strong contributions in establishing SARA in the Midwest.

Michael Thomas, New England Board of Higher Education Update
Mr. Thomas acknowledged the accomplishments of Sandy Doran and Rachel Stachowiak in their work with SARA. He reported that SARA legislation has been enacted in Massachusetts as part of the state budget bill, and that the Massachusetts Board of Higher Education, on October 31st, voted to join SARA. Massachusetts’s application will be submitted to NEBHE later this year or early in 2018.

Wanda Barker for Dave Spence, Southern Regional Education Board
Florida joined SARA in August and began accepting institution applications October 17th. SREB continues to work with Puerto Rico and expects to have an application by the spring of 2018. Elisa Jaden is the new SARA coordinator at SREB.

Joe Garcia, Western Interstate Commission for Higher Education
Only two WICHE states and territories are not currently members of SARA: California and the Commonwealth of Northern Mariana Islands (CNMI). CNMI is interested, but it does not have a lot of distance education activity. Interest, nevertheless, is growing. California challenges include the selection of a state portal entity satisfactory to all sectors, the opposition of several consumer groups, and existing legislation passed following the collapse of Corinthian Colleges that conflicts with SARA policy. W-SARA staff continues to support those in California seeking information about SARA and those working to have the state join. Mr. Garcia further reported that each of the WICHE states reaching SARA renewal have renewed, and there are 210 SARA-participating institutions in the region. Mr. Garcia also reported that the W-SARA Steering...
Committee will establish a subcommittee to look at how SARA policy has changed — not focusing on (the act of) changing policy.

Agenda Item VI (ACTION): FY 2017 Audit Report
Dr. Hill reported that a draft of the Fiscal Year (FY) 2017 NC-SARA audit has been provided to Council members. The audit report mentions a possible financial risk to NC-SARA due to its holding in one financial institution funds that exceed the insurance provided by the Federal Deposit Insurance Corporation (FDIC). He reported that NC-SARA has already addressed that risk by establishing a “cash sweep” program with its bank that nightly diverts to accounts in other financial institutions funds that exceed the FDIC limit ($250,000). NC-SARA will earn a small return on those “swept” funds. He indicated that he would seek the guidance of the Finance Committee about further segregating NC-SARA’s reserve fund into a separate investment vehicle at a different institution.

Hill reported that RubinBrown, the audit firm hired to do the FY 2017 audit, will issue their management letter shortly, but the firm wanted to have the Board review the draft audit before issuing the final letter and audit report.

Motion to receive the draft audit:
Paul Shiffman — motion
Pam Quinn — second
Motion passed unanimously.

Agenda Item V (ACTION): Finance Committee Report
Teresa Lubbers, Treasurer, noted that most financial activity has already been covered in discussion related to the FY 2017 audit. She noted that the first quarter finances are stable.

The Board considered and approved a request from NEBHE for reimbursement by NC-SARA of $68,000 in expenditures from NEBHE’s SARA Reserves for activities related to Massachusetts’ consideration of joining SARA. The Finance Committee offered the opinion that NC SARA has the funding available to reimburse NEBHE if the Board approves the reimbursement. The Executive Committee, Finance Committee, and regional compact presidents all support the reimbursement of funds.

Motion to receive the draft audit:
M. Peter McPherson — motion
Pat O’Brien — second
Michael Thomas — abstain

Motion passed unanimously, with one abstention (Thomas).

Agenda Item IV (ACTION): Institutional Fees for FY 2019 and 2020
Dr. Hill recommended that NC-SARA institutional participation fees remain at the current level for the next two years (through June 30, 2020). Those fees are as follows:

<table>
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<th>Enrolled FTE</th>
<th>Annual Fee</th>
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<tr>
<td>Under 2,500</td>
<td>$2,000</td>
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<tr>
<td>2,500 to 9,999</td>
<td>$4,000</td>
</tr>
<tr>
<td>10,000 or more</td>
<td>$6,000</td>
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</table>
Motion to approve the staff recommendation of fees remaining the same through June 30, 2020.

Joe Garcia – motion
Chris Bustamante – seconded

After discussion, the motion passed unanimously.

**Agenda Item VII (ACTION): Modifications to SARA Manual**

Marshall Hill – Current policy allows for the possibility for institutions to be approved for participation on a provisional basis. Policy has been silent on changes to institution status between annual renewals. The proposed change would allow SARA states to consider relevant events and change an institution’s status to provisional under certain conditions.

M. Peter McPherson – moved approval
Pat O’Brien – seconded

During discussion, the following amendment — which added the phrase “or renewed without such provisional designation” to the end of the policy language — was moved by Leroy Wade and seconded by Michael Thomas. The amendment was adopted unanimously.

New language:

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, or renewed without such provisional designation.

M. Peter McPherson moved approval of the new language, including the amendment; Teresa Lubbers seconded and the motion passed unanimously.

**BREAK**

**Agenda Item VIII (ACTION): SARA’s Impact: Spring 2017 Enrollment Report**

Dr. Hill’s presentation is available on the NC-SARA website.

**Agenda Item IX (ACTION): Modifications to NC-SARA Bylaws**

The proposed modification would specify that the regional compact presidents would determine which two of them would serve on the NC-SARA Executive Committee. The modification would also exempt the two regional compact presidents from term limits regarding their service on the Executive Committee.

Dianne Harrison — moved
M. Peter McPherson — second
Motion passed unanimously.
**Agenda Item X (ACTION): Election of officers and committee members**

M. Peter McPherson announced that he desires to step away from his position as Vice Chair of NC-SARA and eventually from the Board, due to other national responsibilities. Paul Lingenfelter spoke appreciatively about Mr. McPherson’s role in the development of SARA. The Executive Committee moved that the Board confer on Mr. McPherson the honorary titles of Founding Board Member and Vice Chair Emeritus. A plaque honoring his service was presented to Mr. McPherson. Other founding board members (Crady DeGolian, Terry Hartle, Arthur Kirk, David Longanecker and Helena Stangle) were provided with similar plaques.

Mr. McPherson spoke of his pleasure in the success of SARA, and offered to assist the organization in any way, even after his service on the Board concludes. He advised that additional discussions about governance were needed to ensure that, if complicated issues arose that required official resolution by NC-SARA, there would be no questions about how resolution was to be achieved.

Dianne Harrison seconded the motion of the Executive Committee. Motion approved unanimously.

Nominations of Officers — The Executive Committee nominated the following individuals to serve two-year terms as officers of the organization, beginning January 1, 2018:

- Paul Lingenfelter, Chair
- Teresa Lubbers, Vice Chair
- Leroy Wade, Treasurer

Executive Committee — The Executive Committee nominated the following individuals to serve two-year terms on the Executive Committee, beginning January 1, 2018:

- Paul Lingenfelter, Chair, *Ex Officio*
- Teresa Lubbers, Vice Chair, *Ex Officio*
- Leroy Wade, Treasurer, *Ex Officio*
- Chris Bustamante
- Joe Garcia
- Patricia O’Brien
- Michael Thomas
- Larry Tremblay

Finance Committee — The Executive Committee nominated the following individuals to serve two-year terms on the Finance Committee, beginning January 1, 2018:

- Leroy Wade, Chair, *Ex Officio*
- Paul Lingenfelter, *Ex Officio*
- Kathryn Dodge
- Larry Isaak
- Leah Matthews

Mr. Lingenfelter asked if there were additional nominations. Chris Bustamante moved to close nominations; Dianne Harrison seconded; and the motion passed unanimously.

A motion to approve the nominations made by the Executive Committee was made by Pat O’Brien; and the motion passed unanimously.
Agenda Item XI: Discussion of SARA process for obtaining input on policy proposals
Though no actions were taken, this topic elicited wide-ranging discussion. Members acknowledged the growth, success and maturation of the organization; the need to be open to the consideration of any needed changes; the existing language on the topic adopted in the SARA Manual, Section 8; and the continuance of different perspectives and desires regarding SARA policies. Discussion reinforced the desirability of using the regional compacts’ SARA steering committees to initially consider proposed policy changes, while leaving open the possibility of other approaches. The Board determined to discuss the issue further at its next meeting.

Agenda Item XII: Information items
- Update on student and institution support projects
- Marshall Hill notes that NC-SARA may need to modify its policies if the December 2016 U.S. Department of Education rules on state authorization of distance education move forward as written.
- Dates of 2018 meetings:
  2018 NS-SARA Board Meetings:
  - May 2–3 in Denver, Colorado
  - October 31–November 1 in Memphis, Tennessee
  2018 State Portal Entity Meeting:
  - September 18-20 in Salt Lake City, Utah

Executive Session Meeting moved into Executive Session at 12:15 p.m.

Executive Session concluded and meeting adjourned at approximately 1:00 p.m.
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NC-SARA AGENDA ITEM

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

Action Item: Yes ☐ No ☑

Background: The SARA initiative began inviting states to join in early 2014. As of April, 2018, 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. Almost 1,800 institutions participate in SARA.

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


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)

Additional discussion (following the above presentations)

As the SARA initiative has progressed over the past four years, staff have engaged with many individuals regarding persistent challenges faced by states, institutions and students participating in interstate delivery of postsecondary distance education. SARA directly and successfully addresses the issue of state authorization of distance education, and it has reduced participating institutions’ regulatory burdens and costs while promoting and supporting the greater availability of quality distance education programs.

SARA’s rapid growth and unusual success has drawn a great deal of attention, and staff are frequently contacted by individuals interested in whether the “SARA approach” could help solve other problems. While staff have been very willing to discuss the “what, why and how” of SARA, we have resisted the idea of SARA taking on other worthy but not-directly-related work.

Staff suggest that Board discussion of this issue could be useful. To prompt that discussion, NC-SARA staff recommend that we bring forward for Board consideration only those proposed activities that meet all of the following points:

- Related to the interstate delivery of postsecondary distance education
- Serves students, states and/or institutions
- The proposed activity would not be better provided by others
- NC-SARA is in an advantageous (if not unique) position to provide
- External demand is evident
- Financially viable within available resources
Update on the progress of the SARA initiative

NO ACTION REQUIRED

Current as of April 2018.
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<th>Legislation Passed</th>
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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.
Current as of April 2018.

Plus the District of Columbia and the U.S. Virgin Islands.
Current as of April 2018.
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NC-SARA AGENDA ITEM

May 3, 2018

Agenda Item III: Modifications to *NC-SARA Bylaws* regarding board member and officer term limits

Action Item:  ✔ Yes  ☐ No
Modifications to *NC-SARA Bylaws* regarding board member and officer term limits

**ACTION ITEM**

**Background**
At the November 3, 2017, NC-SARA Board meeting, discussion was begun on whether NC-SARA’s maturation as an organization should prompt organizational or process modifications. The Executive Committee discussed that topic during calls held in February.

Members of the Committee expressed general satisfaction with the organization and workings of NC-SARA; but they do recommend that the Board consider modifying its policies regarding term limits of both members and officers.

Committee members talked of balancing the continuing contributions of individuals involved with the development and initial implementation of SARA with the need to expand involvement among the broad community and seek additional perspectives. Consequently, the Executive Committee directed the staff to prepare the following modifications to *NC-SARA Bylaws*.

**NOTE:** Text recommended for elimination is struck through; recommended **new text is red and underlined.**

*NC-SARA Bylaws*

**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 they 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 appointed after June 1, 2018 shall serve a maximum of two 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 begin as stated upon their election to the board and end at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term; 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 a maximum of two 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 (Midwestern Higher Education Compact, New England Board of Higher Education, Southern Regional Education Board, Western Interstate Commission for Higher Education). 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. 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 Executive Committee 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 (— as 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 new Chair, but he/she shall not be required to attend Executive Committee meetings.

c. **Specified duties.** The Executive Committee shall have the following 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:** Revise NC-SARA Bylaws as indicated above.
NC-SARA AGENDA ITEM

May 3, 2018

Agenda Item IV: Additions and modifications to the NC-SARA Manual

Action Item: ☑ Yes ☐ No
Additions and Modifications to the NC-SARA Manual

ACTION ITEM

A. Data submission requirements for institutions participating in SARA

Background
Institutions that choose to participate in SARA agree to provide data necessary to monitor SARA activities, including annual reporting of distance education enrollments by state. The first enrollment data collection was in spring 2016. The second reporting cycle (spring 2017) demonstrated marked growth and significant improvement in SARA institutions’ abilities to report the locations of their distance education students. The third reporting cycle will occur May 21 – June 11, 2018. Reporting manuals for 2018 were made available to SARA institutions on March 6th by posting them on www.nc-sara.org and notifying the institutions of their availability. (See http://nc-sara.org/content/spring-2018-reporting-sara-institutions)

Review of current and proposed data collection policies and processes
On January 17-18, 2018, NC-SARA convened a group of individuals to review 2017 enrollment reporting, consider any needed improvements for 2018 and help develop protocols for the coming reporting of out-of-state learning placements. A list of those individuals is at the end of this agenda item. NC-SARA greatly appreciates their contributions.

How and what do SARA institutions report?
SARA institutions report to NC-SARA through a secure web link distributed to each institution’s SARA contacts. The data institutions report to NC-SARA each spring is drawn from the fall enrollment report that institutions participating in federal Title IV student assistance programs are required to submit to the federal Integrated Postsecondary Education Data System (IPEDS) each winter. SARA requires similar data from the relatively few SARA institutions that do not participate in federal Title IV programs and, therefore, do not report to IPEDS.

SARA institutions currently report the number of students enrolled exclusively in distance education delivered outside the home state of the institution. While IPEDS requests a single, total number for each institution’s out-of-state students located within the United States, SARA requires each institution to disaggregate those enrollments by the state, territory, or district in which the students are located while taking instruction.

A recommendation
To help institutions better reconcile their reports to NC-SARA with their reporting to IPEDS, to facilitate NC-SARA’s analysis and presentation of distance education enrollment data, and to better represent the full distance education activity of SARA institutions, NC-SARA staff recommends that institutions, beginning in spring 2019, report their total in-state distance education enrollments to NC-SARA, as well. Institutions have that number readily available and currently report it to IPEDS.

Experiential learning placements in other states
Enrollments captured and reported in previous NC-SARA reporting cycles have not included on-the-ground, out-of-state learning placements (clinical rotations, student teaching, internships, etc.), even
though those activities are important parts of many academic programs and the number and extent of such placements are of great interest and concern to educators, practitioners, licensing bodies and state regulators. During the development of SARA, parties agreed to work toward having SARA institutions provide information on such placements.

Learning placements occur in a wide variety of disciplines, although they are particularly common in certain fields, such as health-related disciplines and education. They are often a required part of obtaining a degree and/or license to practice a particular profession. While for most institutions, the majority of such placements made through their academic programs are likely located in the same state as the institution, placements do occur across state lines, triggering physical presence. In making such placements, institutions are obliged to comply with the relevant laws, rules and regulations of the state in which such placements are made. Rules and regulations on such matters may be those of a state education agency or may come from a professional licensure board located in the particular state.

SARA institutions, under specified conditions, may place a limited number of students in such learning placements in other SARA states without securing prior authorization for those placements. Despite the high interest of state regulators, there has been no previous attempt by NC-SARA to quantify such placements. Importantly, though, if such placements are part of a degree program intended to prepare students for professional licensure in another state, prior approval by the other state’s professional licensure board that oversees practice of the particular discipline may be required. SARA participation does not include such professional licensure board approval.

A second recommendation
To meet commitments made to the state regulator community during the development of SARA; to include SARA-covered, on-the-ground learning activities in the numbers of students benefiting from SARA provisions; to help institutions identify and deal with obligations regarding professional licensure and their related notifications to students; and to support institutional preparation for compliance with coming federal regulations affecting institutions’ ability to participate in federal Title IV student assistance programs, as a pilot exercise, NC-SARA has asked SARA institutions in spring 2018 to report their learning placements in every state, territory and district other than their own. Placements are to be disaggregated by state and by two-digit CIP code (Classification of Instructional Programs – used by the U.S. Department of Education since 1980 and commonly used by institutions, states and accrediting bodies). We have made such institutional reporting to NC-SARA voluntary for spring 2018. The modification to SARA policies recommended below would make such reporting mandatory for spring 2019.

For spring 2018, NC-SARA has asked institutions to report placements that meet all of the following criteria:

- The placement is outside the “home state” of the SARA institution;
- The placement involves the physical presence of the student at the out-of-state location(s);
- The placement is an activity required for degree completion (a requirement of the student’s major, rather than a general institutional requirement) or professional licensure;
- The placement is carried out under the provisions of a formal agreement between the institution and the placement location; and
- The placement started between January 1, 2017 and December 31, 2017.
ACTION:

Recommended modifications to the SARA Policy Manual:

**Note:** Text recommended for deletion is struck through; recommended new text is red and underlined.

Section 6. Data Submission Requirements for Institutions Participating in the State Authorization Reciprocity Agreements (SARA)

6.1 Data submission by participating institutions.

a. Institutions participating in SARA shall annually report to NC-SARA the number of students enrolled in the institution engaged in distance education delivered outside the Home State of the institution, disaggregated by state, territory, or district in which the students reside.

b. **Beginning in spring, 2019, institutions participating in SARA shall also annually report to NC-SARA the numbers of their students engaged in certain experiential learning placements (rotations, internships, student teaching, etc.), disaggregated by state and two-digit Classification of Instructional Programs (CIP) codes as assigned by the U.S. Department of Education.**

c. **This data shall be reported annually to NC-SARA in the spring following the due date for institutions to make their previous-fall enrollment reports to the federal government’s Integrated Postsecondary Education Data System (IPEDS).**

d. Prior to such submission, NC-SARA will provide each SARA institution a data reporting guide and a data sharing agreement to each SARA institution.

6.2 Data use by SARA

a. NC-SARA on its website will report **those enrollment data**, by institution, in the following format:

   ![Image](image.png)

b. **NC-SARA on its website will report learning placement data by institution, in similar format.**

c. NC-SARA will not collect individually identifiable student data and will comply with the Family Educational Rights and Privacy Act (FERPA).

d. In the future, institutions participating in SARA may be required to further disaggregate the above enrollment data by broad program of study.

Staff recommendation: Approve the indicated modifications.
2018 NC-SARA Data Policy Review Committee

Kris Biesinger, Senior Advisor, Southern Regional Education Board (SREB)

Marianne Boeke, Senior Associate, National Center for Higher Education Management Systems (NCHEMS) (now Associate Director for Policy Research and State Support at NC-SARA)

Blake Carpenter, Manager, Student Data Services, The University of Texas at Arlington

Tyson Heath, Manager of State Authorization, NC-SARA Coordinator, Western Governors University

John Lopez, Special Assistant to the President and Chief Administrative Officer, Western Interstate Commission for Higher Education (WICHE)

Russ Poulin, Director, Policy & Analysis, WICHE Cooperative for Educational Technologies (WCET)

Ken Sauer, Senior Associate Commissioner and Chief Academic Officer, Indiana Commission for Higher Education

Terri Taylor Straut, Senior Research Analyst, WICHE Cooperative for Educational Technologies (WCET)

Three NC-SARA staff participated in the committee meetings: Marshall A. Hill, Executive Director; Mary Larson, Associate Director for Student and Institution Support; and Jennifer Shanika, Assistant Director for Technical Operations.

B. Clarifying the primacy of U.S. Department of Education rules affecting SARA institutions that participate in federal Title IV student financial assistance programs.

Background

SARA staff often encounter institutional representatives who mistakenly believe that their institution’s participation in SARA excuses the institution from compliance with certain federal rules of the U.S. Department of Education and/or other federal agencies. That is not the case.

To draw attention to that point, NC-SARA staff recommends the following modification to the SARA Manual.

**NOTE:** Text recommended for elimination is struck through; recommended new text is red and underlined.

SARA Manual

Section 5: Coverage and Limitations of SARA

5.1 Coverage of SARA

a. 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 limited activities conducted for short periods on the ground.

b. SARA does not affect the applicability of general-purpose state laws such as business registries, general-purpose consumer protection laws, worker’s compensation laws and the like.
c. Institutional participation in SARA does not excuse or exempt institutions that participate in federally funded programs from compliance with the federal rules applicable to such programs. Such programs include, but are not limited to, federal Title IV student assistance programs and military tuition assistance programs.

Staff recommendation: Approve the above modification.
NC-SARA AGENDA ITEM

May 3, 2018

Agenda Item V: Enhanced support for distance education students, SARA states and SARA institutions

Action Item: ☑ Yes ☐ No
Progress report and one recommended action regarding NC-SARA’s support for distance education students, SARA states and SARA institutions

ACTION ITEM

Background
In the beginning of SARA, in 2013, the main work of regional and national SARA staff involved explaining (often to quite skeptical audiences) what SARA would do; what would be expected of SARA states and institutions; what institutional activities would and would not be covered by SARA; how SARA institutions in one state would interact with other SARA states; why SARA wouldn’t remove institutional obligations regarding the interstate offering of programs leading to professional licensure; and a seemingly never-ending list of related points.

In Spring 2018, with 48 states, the District of Columbia, and the U.S. Virgin Islands as SARA members, and almost 1,800 institutions now participating in SARA, SARA staff still spend a great deal of time dealing with what are now increasingly nuanced versions of those and other questions. An institutional representative might ask: “My institution is thinking about doing THIS. Will that be covered by SARA?” Students ask, “Why does our physical therapy program director say that I can’t do a clinical rotation in a non-SARA state? And why is SARA trying to keep me from graduating?”

In May 2017 the NC-SARA Board approved a budget funding enhanced student, state and institutional support to be provided by NC-SARA on topics related to state authorization. In September, 2017, Mary Larson (previously at SREB) joined NC-SARA as Associate Director for Student and Institutional Support; and in April, 2018, Marianne Boeke (previously with NCHEMS) joined NC-SARA as Associate Director for Policy Research and State Support. One additional budgeted position related to their work has not yet been filled (April 2018).

Activities report (no action needed)
NC-SARA has begun several projects that bear on this provision of additional support:

- In cooperation with the WICHE Cooperative for Educational Technologies’ State Authorization Network (WCET/SAN), NC-SARA has reached an agreement with the State Higher Education Executive Officers (SHEEO) to house and maintain what has been SHEEO’s database resource of state regulatory agencies and state licensing boards that deal with state authorization. The work of updating and transferring that resource has begun; and anticipated launch on the NC-SARA website is early summer, 2018.

- NC-SARA is developing a separate database of commonly asked questions about state authorization: how authorization requirements affect students, how authorization requirements affect students studying in programs intended to lead to professional licensure, and related issues. That content work has begun, as has the IT work to support it; and anticipated availability is summer 2018. NC-SARA staff (and others) have planned a series of webinars addressing those topics.

- The Executive Director has had many conversations with leaders of specialized accrediting bodies that also struggle providing answers to such questions. NC-SARA staff will be working with those organizations and their umbrella organization to enable their linking to general information about state authorization of distance education housed on the NC-SARA website.
NC-SARA will provide links to discipline-specific information housed on the websites of those organizations. Responses from those organizations have been uniformly supportive.

- NC-SARA’s website ([www.nc-sara.org](http://www.nc-sara.org)) was developed and launched in the fall of 2013. The material it contains has grown, without sufficient, subsequent attention to organization, ease of access, data analytics, and so forth. NC-SARA has contracted with an external firm for a thorough re-examination of its web needs and resources and a redesign of the website. That work has begun, as well, with an anticipated launch of the new website in summer 2018.

- These four projects will be accomplished within the “Phase I Student and Institution Support” budget approved by the Board in May 2017.

### An additional resource

**ACTION ITEM**

NC-SARA staff recommends that NC-SARA create a searchable database of academic programs offered at a distance by SARA institutions. Key points:

- Institutional participation would be voluntary and carry no additional cost to participating SARA institutions.

- Institutions could cease participation at any point.

- Available programs would be searchable by discipline, degree level, etc.

- Searching students would be directed from the results of their search (a listing of institutions offering their sought-for programs) to an institutional web page (maintained by the institution) from which additional information about the institution and its available distance education programs could be readily accessed. From that institutional page forward, students would deal with the institution, not NC-SARA.

- Prior to inclusion of their programs, institutions would be required to certify that all programs they list in the database have been approved for institutional offering by whatever approval mechanism their state requires.

- Institutions would be required to maintain accurate, up-to-date information of their listed programs would be removed from the database.

- Database entries would be coordinated with any existing SARA states’ databases of distance education programs offered by those states’ institutions.

- The database would be maintained by NC-SARA.

### Rationale

- No such searchable database currently exists.

- Rather than a broad search through an internet search engine (*Google, Chrome, Safari,* etc.), a focused search through such an NC-SARA database would identify only those institutions that participate in SARA and therefore meet SARA requirements regarding accreditation, *C-RAC Guidelines*, financial stability, complaint resolution and state approval.
• Identified institutions, through their participation in SARA, would have satisfied the state authorization requirements of all SARA member states, territories and districts, removing a potential complication for searching students. (Issues related to professional licensure would have to be individually resolved through student consultation with the institution, as is the case for all such inquiries.)

• NC-SARA could develop and maintain such a resource within current and anticipated institutional fee revenues. Implementation year costs would be approximately $300,000 (excluding staff time); successive year costs would be approximately $83,000/year (excluding staff time).

• If approved, NC-SARA would likely be ready to accept institutional program listings by late 2018 or early 2019.

Precedent and previous efforts

• From 1998 to 2017, the Southern Regional Education Board operated the SREB Electronic Campus, which offered a similar searchable database of academic programs and courses (an NC-SARA database would list programs, not courses, simplifying operation).

• More than 350 institutions across 16 southern states participated, listing approximately 10,000 academic programs. An NC-SARA project would build on lessons learned from that work.

• Significant state and institutional participation was sustained throughout the 19-year existence of the Electronic Campus.

• To support a national reciprocity agreement (SARA), rather than the regional one on which the SREB Electronic Campus was based (SECRRA), SREB closed their Electronic Campus in July 2017.

• Many institutions that participated in the SREB Electronic Campus – institutions that know best how such an initiative would work – are eager to participate if such an opportunity were to be made available through NC-SARA.

Feedback from SARA institutions and others

In April 2018 NC-SARA provided all SARA institution contacts an overview of the proposed project and solicited their feedback. Such solicitation was also made through the NC-SARA website. At the May NC-SARA meeting, staff will summarize responses.

Staff recommendation:

Direct NC-SARA staff to:

• Create and maintain a searchable database of academic programs available through distance education and offered by SARA institutions that voluntarily choose to list such programs in the database;

• Publicize the availability of the database;

• Include funding for related work in annual NC-SARA operating budgets; and

• Collect, maintain, analyze data and periodically report to the Board on utilization of the database.
NC-SARA AGENDA ITEM

Agenda Item VI: Finance Committee – Leroy Wade, Treasurer

Action Item: ☑ Yes ☐ No
Finance Committee – Leroy Wade, Treasurer

ACTION ITEM

A. Third-quarter FY 2018 Finance Report – Leroy Wade, Treasurer
   The finance report will be provided under separate cover.

B. NC-SARA Budget for FY 2019
   The proposed FY 2019 budget will be provided under a separate cover.

Background

Context: NC-SARA as a maturing organization
NC-SARA is now a fully independent 501(c)(3) entity, with established organizational and business structures (accounting, audit, payroll, employee benefits, communications, etc.). NC-SARA staffing growth has trailed the evolution of the SARA initiative. Starting with 2.5 FTE staff in the fall of 2013, NC-SARA staff currently total seven FTE. One additional employee was budgeted for FY 2018 but has not yet been hired. That position continues in the proposed FY 2019 budget.

The SARA initiative now includes 48 states, the District of Columbia and the U.S. Virgin Islands. Applications from Massachusetts and Puerto Rico are being prepared for consideration by NEBHE and SREB, respectively. Approximately 1,800 institutions now participate in SARA. If Massachusetts and Puerto Rico are approved, that number will likely near 2,000 by the end of FY 2019. California, if it joins, would likely contribute another 200 or more institutions.

As in prior years, the proposed FY 2019 budget is based on conservative estimates of revenues. Annual institutional renewal rates remain above 99 percent. Institutional mergers, institutional inability to continue to meet SARA’s financial status requirements, and on-campus inattention to multiple, redundant renewal notices account for the rest.

The proposed FY 2019 budget:

- Conservatively estimates revenues and expenses.
- Provides for increasing each compact’s SARA allocation to $443,000 for FY 2019, plus increasing each compact’s level of accumulated reserves funding from $215,000 to $222,000.
- Provides for increasing NC-SARA’s accumulated reserves from the current $500,000 to an amount equal to one half of its approved FY 2019 operating budget.
- Maintains the staffing levels approved in the FY 2018 budget.
- Incorporates staff compensation increases recommended by the Executive Director, but not for the Executive Director himself — as that is determined by the Executive Committee.
- Adjusts benefits cost projections to 40 percent of salary costs, based on recent staff analysis of actual costs of providing benefits. (Previous budgets used an estimation of benefits at 31 percent of salary.)
• Includes as part of the normal budget the continuation of student, institution and state support approved by the Board in May, 2017. One-time expenditures already made to begin those activities have been removed from the FY 2019 proposed budget.

• Provides a separate budget addendum for expansion of student and institution support to include creation and maintenance of a searchable database of distance education programs offered by SARA institutions and voluntarily listed by them (see Agenda Item V).

Budget background and key items
NC-SARA operates on a fiscal year that runs from July 1 – June 30. This proposed budget deals with NC-SARA operations from July 1, 2018 through June 30, 2019.

NC-SARA revenues now consist entirely of annual fees that NC-SARA receives from institutions that participate in SARA. Those fees have remained constant since the establishment of NC-SARA in 2013 and are currently set, by NC-SARA, to remain at that level through June 30, 2020. (SARA states may also charge their institutions SARA participation fees. Many do, and those fees vary widely.) NC-SARA expenses consist of support for its normal business operations and a sharing of institutional fee revenues with the regional compacts.

NC-SARA annually shares with each regional compact a Board-approved portion of institutional participation fees (each compact has received $430,000 for FY 2018) and retains the balance for its own operations. Allocations are made to the four compacts as revenues are received by NC-SARA. Within ten business days of the end of each fiscal quarter, NC-SARA distributes to each compact 16 percent of net revenues received during that quarter, retaining the balance (36 percent) for itself.

Compact allocations for FY 2019
NC-SARA policies provide that the regional compacts’ annual SARA allocations may be increased due to inflation. NC-SARA approved such an increase for FY 2018, using the methodology applied below. Latest-available numbers are used in the following calculations. The four regional compact presidents have reviewed and support both this methodology and its resultant increase.

The Commonfund Higher Education Price Index, FY 2017 Update states that the Consumer Price Index (CPI) for FY 2017 increased 2.5 percent and the Higher Education Price Index (HEPI) increased 3.7 percent during that same period. The HEPI increase during FY 2017 was the highest since 2008.

If funding increases are supported by the Board, some options for adjusting the compacts’ SARA funding in response to those inflationary increases are listed below:

Some possible increases for FY 2019:
- CPI:  
  + 2.5 %  
  $430,000 x 1.025 = $440,750 (CPI Based increase)
- HEPI: 
  + 3.7%  
  $430,000 x 1.037 = $445,910 (HEPI-based increase)
- Average: 
  + 3.1 %  
  $430,000 x 1.031 = $443,330 (average of CPI & HEPI)

NC-SARA used the average of CPI and HEPI increases to set allocations for FY 2018.

Regional compacts’ and NC-SARA’s reserve funds
By NC-SARA policy, the regional compacts are to accumulate reserve funds until their reserve funding
equals half of their annual allocation amount. For FY 2018, the level of reserve funding was $215,000 – half of their $430,000 allocation.

If annual allocation increases are made for FY 2019, increases to reserve funding would be required to maintain that “half of an annual allocation” level. Those increases would be as follows:

- Adjust reserves per a CPE increase + $5,375 for each compact
- Adjust reserves per a HEPI increase + $7,955 for each compact
- Adjust reserves per average of CPI and HEPI + $6,665 for each compact

The four regional compact presidents have reviewed and support both this methodology and its resultant increase.

NC-SARA’s reserves are to be “equal to half of NC-SARA’s annual operating budget (as determined).” Because annual operating budgets have demonstrated the growth of a rapidly maturing organization, the Board has not yet determined a specific amount for NC-SARA reserves. The staff recommends that the Board now do so, based on the proposed FY 2019 budget.

**Staff Recommendations:**

- Increase each regional compact’s allocation for FY 2019 to $443,000.
- Increase each compact’s total reserve funding by $7,000, to total $222,000, payable during the first quarter of FY 2019 or before.
- Establish the funding level for NC-SARA reserves at fifty percent of the approved FY 2019 operating budget and direct the staff to bring reserve funding to that level during FY 2019.

The proposed budget has been reviewed by the NC-SARA Finance Committee (Leroy Wade, Treasurer and chair; Paul Lingenfelter; Kathryn Dodge; Larry Isaak; and Leah Matthews). Treasurer Wade will present the Committee’s recommendations.

**BUDGET SPREADSHEET PROVIDED UNDER SEPARATE COVER**
NC-SARA AGENDA ITEM

Agenda Item VII: Information Items – Marshall A. Hill

Action Item: ☐ Yes ☑ No

a) New U.S. Department of Education rules on state authorization of distance education
b) Current year work by NC-SARA staff
c) Executive Director meetings and presentations, November 2017–2018
d) Remaining 2018 NC-SARA meetings, dates and location
Information Items – Marshall A. Hill

NO ACTION REQUIRED

A. Status of U.S. Department of Education rules on state authorization of distance education (34 CFR Parts 600 and 668 – Docket ID ED-2016-OPE-0050)

See: https://www.federalregister.gov/documents/2016/12/19/2016-29444/program-integrity-and-improvement

- As of this writing (April 4, 2018) these new rules are set to take effect July 1, 2018.
- They contain complex new requirements for notifications to students about institutional and programmatic accreditation; institutional standing with accreditors; adverse actions by states, accreditors or other bodies to which institutions are subject; and other matters.
- Institutional confusion about how to comply with the new rules abounds.
- Despite multiple requests from institutions and organizations, clarification has not been forthcoming from ED.
- Additional information may be available by May 2018.

B. Current year work by NC-SARA staff

Key aspects of current fiscal year work by NC-SARA staff include:
- Replacing one staff member and adding three additional:
  - Victoria Brieske, Executive Assistant (February, 2018)
  - Marianne Boeke, Associate Director for Policy Research and State Support (April, 2018)
  - Mary Larson, Associate Director for Student and Institution Support (September, 2017)
  - Shannon Walker, Assistant Director for Business Operations (October, 2017)
- Full implementation of TIAA retirement program
- Successful FY 2017 audit
- Further specifying and detailing projects to provide enhanced support for students, institutions and states; identifying and contracting with needed vendors; beginning work on those projects. Soliciting cooperation and partnership of accrediting bodies in that work (specialized accreditors, especially).

C. Executive Director meetings and presentations November 2017–May 2018

- November 28 Pennsylvania SARA meeting State College, PA
- December 14-17 Council of State Governments Las Vegas, NV
- January 8 Missouri/Kansas SAN Kansas City, MO
C. Executive Director meetings and presentations  November 2017–May 2018 (continued)

- January 17-18  NC-SARA Data Committee  Boulder, CO
- January 29-31  CHEA Annual Meeting  Washington, D.C.
- March 6-7  SAN Virtual Webinar  Boulder, CO
- March 18-20  Meetings in DC (ED, etc.)  Washington, D.C.
- April 15-17  CAAHEP\(^1\)  Louisville, KY
- April 22-24  NASASPS\(^2\)  Portland, OR
- April 25-27  WASC\(^3\)  Oakland, CA
- April 29-May 1  USDLA\(^4\)  St. Louis, MO

\(^1\) Commission on Accreditation of Allied Health Education Programs
\(^2\) National Association of State Administrators and Supervisors of Private Schools
\(^3\) Western Association of Schools and Colleges
\(^4\) United States Distance Learning Association

D. 2018 NC-SARA meetings, dates and locations

- September 18–20  Annual SARA States’ Meeting  Salt Lake City, UT
- October 31–November 1  Fall NC-SARA Board Meeting  Memphis, TN
NC-SARA AGENDA ITEMS

Agenda Item VIII: Executive session

Action Item: ☐ Yes ☑ No

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

Action Item: ☐ Yes ☑ No

Adjourn.
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