

Special Session: Licensure Update ..... Tim Gallimore

**Situation:** The Board of Governors of the University of North Carolina is charged under North Carolina General Statute Section 116-15 with responsibility for licensing nonpublic educational institutions to conduct post-secondary degree activity in North Carolina.

**Background:** In exercising its authority to license post-secondary degree programs in North Carolina, the Board of Governors can also exempt institutions from licensure under certain conditions. Many states have given a categorical exemption from licensure for out-of-state higher education institutions to offer distance education programs in their territory. That exemption is granted under the State Authorization Reciprocity Agreements (SARA). SARA is a voluntary reciprocity process among states whereby each member state agrees to verify certain conditions (such as accreditation and financial stability) for participating higher education institutions domiciled within that state, and to investigate and respond appropriately to any complaints received from students in other member states who are enrolled in an online degree program with that participating institution. Under the terms of the reciprocity agreement, all member states agree to accept and recognize state authorization for all participating institutions in all other SARA-member states.

As of November 2015, 34 states have joined SARA, including 11 of the 16 members in the Southern Regional Education Board (SREB). The statute authorizing licensure of out-of-state institutions gives the UNC Board of Governors appropriate authority to join SARA on behalf of the State of North Carolina, should the Board decide to do so.

**Assessment:** The Board could decide to join the national reciprocity agreement and adopt the SARA standards and conditions as sufficient to grant qualifying out-of-state institutions an exemption for their online and distance education post-secondary degree activity in North Carolina. By doing so, the Board will maintain its licensing authority over post-secondary degree activity which includes an in-state presence and over institutions which do not agree to adhere to the SARA standards.

The primary value of joining SARA will be to provide North Carolina students with easier access to quality educational opportunities enabled by online/distance delivery technology and SARA oversight. Participation in SARA will provide greater consumer protection for North Carolina students who take courses online at SARA member institutions. Additionally, under SARA, the UNC System institutions would receive relief from the current time-consuming and expensive process of obtaining authorization to offer their online degree and certificate programs in multiple states.

**Action:** This item is for information only.