

9. Licensure Update – Panel Discussion on SARA..... Timothy 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.

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).

As of December 2015, 36 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.

Background: The State Authorization Reciprocity Agreements (SARA) is a voluntary agreement among its member states and U.S. territories that establishes comparable national standards for interstate offering of postsecondary distance-education courses and programs. It is intended to make it easier for students to take online courses offered by postsecondary institutions based in another state.

- States regulate higher education within their borders, with varying requirements for out-of-state institutions that want to do business in the state.
- Cross-state online education offered by colleges and universities is expanding dramatically.
- At present there is no alternative to each institution separately pursuing any needed approvals (state authorization) in each state where it enrolls students.
- Consequently, all North Carolina post-secondary institutions (UNC, NCCCS, & Independent Schools & Colleges) are required to contact and work through as many as 54 states and territories, sometimes with multiple regulatory agencies in those states.
- That process is inefficient, costly, and ineffective in supporting access to high quality distance education throughout the country.
- In 2012-13, public 4-year institutions paid an average of \$42,000 in state authorization fees and devoted 1.5 FTE to the compliance effort.

Membership in SARA is voluntary for states and institutions and participation can be withdrawn at any time by providing 90 days written notice.

Assessment: The UNC General Administration, the 16 UNC constituent institutions, the North Carolina Community College System, and the North Carolina Independent Colleges and Universities recommend that the UNC Board of Governors authorize North Carolina to join the SARA

reciprocity agreement and designate the North Carolina State Education Assistance Authority to serve as the state's SARA portal agency.

UNC-GA also recommends that the Board of Governors direct the President of the University to create of a working group to review the current rules and regulations associated with clinical sites and preceptors that provide field placements and other educational experiences for students seeking professional licensure and to determine if additional quality control and consumer protection measures are needed.

Advantages of North Carolina Joining SARA

- Easier access to quality educational opportunities for North Carolina students via online/distance delivery technology and SARA oversight;
- Greater consumer protection for North Carolina students who take courses online at SARA member institutions;
- Strengthens the student complaint process;
- Allows UNC to expand online/distance offerings nationwide;
- Increase branding and marketability by reducing costs and other barriers for the 16 campuses, thus making UNC more competitive; and,
- Reduced overall costs for compliance with multiple state authorizations through the payment of a single annual SARA membership fee.

Disadvantages of Joining SARA

- Loss of some regulatory control by exempting from the current licensure process out-of-state institutions that offer field placements for students in 100% online courses and degree programs; and,
- Increased competition from out-of-state institutions for clinical sites and preceptors for practicums in nursing and allied health.

Mitigating the Effects of Disadvantages

The SARA regime includes quality assurance by requiring participating institutions to be accredited and to operate under best practices for online education. Consumer protection is also enhanced because private institutions must meet federal "financial stability" requirements in order to participate in SARA.

The competition for clinical sites in North Carolina is an ongoing problem that will continue regardless of the decision to join SARA. However, a coalition of the Area Health Education Center (AHEC), the Board of Nursing, other professional licensure bodies as well as other stakeholders in the state have an opportunity to establish a system for managing and monitoring clinical sites and preceptors to enhance placement access, ensure educational quality, and safeguard consumers.

Action: This item requires a vote.

1. What is SARA?

SARA stands for the State Authorization Reciprocity Agreements and allows for the approval of distance education programs offered across state lines by institutions that already have degree authorization in at least one U.S. state. SARA centralizes program authorization in the institution's home state. Colleges or universities in a SARA state therefore only need their home state authorization to offer distance education to students in any other SARA member state.

2. How many states have already joined SARA?

As of January 2016, 36 states have joined SARA, including the states with the most rigorous authorization systems.

3. Why haven't some states joined?

According to the National Council for State Authorization Reciprocity Agreements, many of these states plan to join SARA but are awaiting required state legislation for joining.

4. What would the benefits of joining SARA be for UNC online programs?

Many of the UNC campuses are currently restricted from marketing to and enrolling students in various states. Most of these restrictions would go away if North Carolina were to join SARA. For example, UNC Charlotte is not authorized to enroll online students in Alabama, Arkansas, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Oregon, and Utah. All but two of those restrictions would fall away if North Carolina joins SARA. NC State is prohibited

from marketing in Minnesota, which would be permitted under SARA. ECU faces restrictions in Alabama, Maryland, Massachusetts, Minnesota, and Ohio. Under SARA, all but one of these states would be immediately opened as markets for ECU's 94 online programs.

5. What are the implications for North Carolina if the BOG decides not to join SARA?

North Carolina institutions with online programs will be at a competitive disadvantage relative to institutions in other states. Their markets will continue to be limited by state authorization requirements, many of which are likely to become more onerous and expensive.

In response to the implementation of SARA, the Southern Regional Education Board (SREB) will be dissolving its Electronic Campus that operates under a Regional Reciprocity Agreement among the southern states. Should North Carolina not join SARA, institutions that participate in the Electronic Campus will need to get authorization (involving new fees and paperwork) to continue offering online programs in the 15 other SREB member states.

6. Does SARA replace state authorization?

No. Any degree-granting institution in the U.S. must continue to be authorized in its home state.

7. Will North Carolina lose its ability to ensure that quality educational opportunities are offered to state residents?

Under current policy, degree programs that are offered 100% online with no

physical presence are not required to be licensed in North Carolina. The SARA participation requirements will bring more quality assurance to fully online programs offered in North Carolina by out-of-state institutions.

- Operation of distance education programs consistent with practices expected by institutional accreditors (and, if applicable, programmatic/specialized accreditors) and/or the [C-RAC Guidelines](#) for distance education.

8. What issues fall under “consumer protection” in SARA?

SARA’s consumer protections cover dishonest or fraudulent activity by an educational provider, including giving false or misleading information to a student. It also includes operating a course or program contrary to practices set forth in the [Interregional Guidelines for the Evaluation of Distance Education Programs \(Online Learning\)](#) in a way that harms a student. Examples of issues that may arise include, but are not limited to:

- Veracity of recruitment and marketing materials;
- Accuracy of job placement data;
- Accuracy of information about tuition, fees and financial aid;
- Complete and accurate admission requirements for courses and programs;
- Accuracy of information about the institution’s accreditation and/or any programmatic/specialized accreditation held by the institution’s programs;
- Accuracy of information about whether course work meets any relevant professional licensing requirements or the requirements of specialized accrediting bodies;
- Accuracy of information about whether the academic credit awarded by the institution will transfer to other institutions; and

9. Who will manage SARA in North Carolina?

The UNC Board of Governors has the authority to join SARA on North Carolina’s behalf and to designate the entity that will administer the reciprocity agreement in the state. The North Carolina State Education Assistance Authority (NCSEAA) has agreed to serve as the SARA “portal agency” for North Carolina.

10. How much will it cost to join SARA?

The following fee structure has been established by the National Council for SARA. These annual fees are paid to the National Council, which will distribute them to the four regions under a formula system.

Enrolled FTE – Annual Fee to Participate	
Under 2,500.....	\$2,000
2,500-9,999	\$4,000
10,000 or more.....	\$6,000

11. How much will it cost to administer SARA? Where will those resources come from?

Estimated start-up and first-year administration costs for SARA is between \$260,000 and \$300,000. Projected income from state-level SARA fees is \$400,000 based on the number of North Carolina institutions that have expressed interest in participating in SARA.

12. Can a state withdraw from SARA?

Yes, a state may withdraw from SARA by providing 90 days written notice from an appropriate state authority to its regional compact.

13. Does SARA cover all interstate placements of students in clinical sites and practica, or only those placements that are related to a distance-ed program?

SARA covers all interstate placements in clinical or practica situations among SARA member states, no matter the nature of the main program. However, some such placements may also be subject to the rules of professional licensing boards, in which case the placement must also meet such requirements. SARA does not supersede professional requirements imposed by such boards.

14. 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?

Yes. Supervised field experiences are considered distance education for purposes of SARA.

15. How will joining SARA affect the availability of clinical sites for North Carolinian students?

Joining SARA will increase competition for the available clinical sites in North Carolina. However, North Carolina institutions that participate in SARA will have greater ability to place students at clinical sites in other SARA member states.

SARA

List of Available Documents:

- I. NCSEAA Letter of Commitment to Serve as SARA Portal Agency
- II. SARA – Governance Structure
- III. SARA – Portal Agency Governance and Organization Structure
- IV. SARA – NC Student Complaint Policy