2024 Program Integrity and Institutional Quality Committee

How SARA Works – An Overview

Overview of NC-SARA & SARA

State Authorization Reciprocity Agreements (SARA) is an **agreement** amongst member states, districts, and territories that establishes comparable national standards and streamlines regulations, fees, and approvals for institutions offering interstate distance education programs. More than 2,400 institutions in 49 member states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands all voluntarily participate in SARA.

The National Council for State Authorization Reciprocity Agreements (NC-SARA) is a private nonprofit **organization** [501(c)(3)] that, in partnership with the four regional compacts, coordinates the implementation of SARA nationally. NC-SARA supports, facilitates, and serves the regional compacts, the regional steering committees, the State Portal Entities, and SARA-participating institutions.

Why SARA Matters:

- Makes it easier for students to access distance education programs across state lines.
- Provides a set of uniform policies for student consumer protections that otherwise would vary state by state.
- Ensures valuable oversight of, and increases students' access to, interstate distance education and out-of-state learning placement opportunities.
- Improves strategic coordination and communication between and among SARA member states.
- Shares exclusively distance education enrollment data and out-of-state learning placement data like clinical hours and student teaching.
- SARA has greatly improved state capacity by having regulators look at a smaller number of institutions.
- SARA has greatly improved collaboration and information sharing among member states.
- Reduces costs and bureaucracy for states and institutions.

SARA Overview:

- State authorization is a state responsibility; SARA member states **voluntarily** join the State Authorization Reciprocity Agreements to ensure consistency in oversight of institutions across member states.
- In joining SARA, states agree to accept the authorization of an institution's home state in lieu of any authorization requirements they may have for out-of-state providers.
- In many states, SARA raises the floor of authorization. In fact, 21 states do not regulate out-of-state institutions that offer exclusively distance education in their state but have no physical presence. Additionally, one-third of states do not require accreditation for degree granting institutions. SARA requires accreditation and state authorization in the home state and ensures a level of oversight to SARA-participating institutions that would not otherwise be present.
- The SARA Policy Modification Process puts states in control of SARA policy changes.

Refuting SARA Inaccuracies:

- There is no evidence that SARA opens the gate to unchecked fraudulent behavior on the part of institutions offering distance education.

- SARA does not prohibit any state attorney general from investigating or acting against an institution committing fraud, misrepresentation, engaging in deceptive behavior, or committing any other violations of states' general-purpose laws.
- ITT Technical Institute (closed 2016) and Corinthian Colleges (closed 2015) were NEVER SARA-participating institutions.
- Between 2018-2023 there were 29 closures among SARA-participating institutions, as opposed to over 200 closures in non-SARA degree granting institutions during this same period.
- Institutions may always seek authorization state by state (traditional authorization) or may voluntarily become a SARA-participating institution if requirements are met.

SARA Summary Data:

- In Fall 2022, more than 1.5 million students attended out-of-state institutions exclusively via distance education through SARA.
- 372,042 students from SARA institutions participated in an out-of-state learning placement in 2022.
- 49% of SARA-participating institutions are public.
- 44% of SARA-participating institutions are private non-profit.
- 7% of SARA-participating institutions are private for profit.
- 72% of all HBCUs in the U.S. participate in SARA (73 of 102).
- Public two-year institutions represent nearly one quarter of SARA-participating institutions (554 institutions).

NC-SARA Fee and State SARA Fee

- For institutions to participate in SARA, they must pay a yearly fee to NC-SARA. Most states also charge a state SARA fee to participate. These fees provide the funding for both NC-SARA and the states to coordinate reciprocity and work with institutions.
- Currently, 35 of the 52 SARA member states and territories charge a state SARA fee to cover in-state administrative costs.
- Nothing in SARA prohibits a state or territory from charging fees to administer SARA in their state.

How Interstate Reciprocity Works for States and Institutions

- SARA operates under a tiered governance structure.
    - Once a state is a member of SARA through its regional compact:
        - Institutions apply to their home state for approval to participate in SARA.
        - SARA-participating institutions must be renewed/reviewed every year through their home state.
        - SARA requires institutional accreditation and state authorization of the institution in the home state and ensures a level of oversight to SARA-participating institutions that would not otherwise be present.
    - The four regional compacts are each comprised of multiple member states and are responsible for monitoring their member states' participation in SARA:
        - W-SARA (WICHE)
        - S-SARA (SREB)
        - N-SARA (NEBBHE)
        - M-SARA (MHEC)
    - Member states apply to their regional compact for SARA membership.
    - State membership is renewed every two years through the regional compacts.

- NC-SARA supports, facilitates, and serves the regional compacts, the regional steering committees, the State Portal Entities, and SARA-participating institutions.

SARA and the Triad

Regulation of higher education in the United States takes a three-pronged approach in which the federal government, state governments, and accreditation organizations share responsibility. SARA is a voluntary agreement of states built upon the existing regulatory triad.

- The federal government is responsible for holding institutions to a minimum of **financial stability** through the financial responsibility composite score; holds accreditors to clearly defined standards of practice and recognizes them as reliable authorities on the quality of education; and oversees the Title IV financial aid program.
- Accreditation organizations ensure that academic programs and institutions of higher education meet acceptable levels of **quality** in teaching and learning.
- State governments authorize institutions to operate and ensure **consumer protections**.

The regulatory triad ensures institutional program quality, financial stability, and consumer protections. SARA relies on the triad and does not seek to recreate or remove the safeguards currently in place. In fact, an institution is only considered for SARA participation after the state has completed their authorization of the institution, the institution's accreditation has been secured, and the U.S. Department of Education has provided assurances of institutional financial stability through a passing Financial Responsibility Composite Score.