State Authorization Reciprocity Agreement Update

WICHE and the other three regional higher education compacts, the Midwestern Higher Education Compact (MHEC), the New England Board of Higher Education (NEBHE), and the Southern Regional Education Board (SREB) plan to begin implementing a nationwide State Authorization Reciprocity Agreement (SARA) starting in July 2013. It will be the result of ongoing efforts and collaborations of several groups:

- The Council of State Governments (CSG) and the Presidents’ Forum, two groups that initially proposed a reciprocal, interstate approach to authorization.

- WICHE and the three other regional higher education compacts; MHEC, NEBHE and SREB. The compacts, working with regional steering committees, built on the work of CSG and the Presidents’ Forum and drafted a comprehensive reciprocity agreement and circulated it to key constituencies involved in the authorization process. As proposed, the regional compacts will implement the State Authorization Reciprocity Agreement.

- And more recently, the National Commission on the Regulation of Postsecondary Education, which was convened the State Higher Education Executive Officers (SHEEO) and the American Association of Public and Land-Grant Universities (A*P*L*U).

The National Commission began working from the regional higher education compacts’ consensus document and has essentially adopted the same plan but in its own language. The commission’s final report, a consensus document, is anticipated to be completed by early April, and will be the guiding document as SARA is implemented. It and the regional compacts’ SARA agreements are nearly synonymous in their implications, scope and approach.

These efforts have been broadly representative; all institutional sectors and all of the relevant policy-making, regulatory, and accrediting constituencies have been involved in shaping SARA.

Moving forward, implementation hinges on one key outcome: approval of a proposal requesting nearly $3 million submitted by WICHE and the other regional compacts to Lumina Foundation. Prospects for funding are good. If the grant is approved, it, along with participation fees that will be paid by institutions in states that sign onto the agreement, will fund the SARA staffs to be created at each of the regional compacts as well as a nationwide coordinating board to address any interregional reciprocity issues that arise. The enrollment-based, annual institutional fees will likely range from $2,000 to $6,000.

Another significant event on the path toward reciprocity will occur on April 16 – 17 in Indianapolis, a national symposium on the implementation of SARA. Delegates from each of your states will attend to learn more about the agreement, examine the implications for states and for institutions, and meet with colleagues from the states represented in their respective regional compact. Each of the
regional compacts will hold similar regional briefings as the implementation process gets underway.

The overarching purposes of SARA are to:

- Establish common, high quality, efficient, cost-effective, and consistently applied processes and standards for authorization that are endorsed by the participating states and institutions.
- Provide consumer protection and a complaint resolution process.
- Reduce barriers to innovation in educational delivery and increase access to postsecondary education and degree completion.

Some of the key provisions of the State Authorization Reciprocity Agreement include:

- The agreement is based on the voluntary participation of states and institutions. Participating institutions must be authorized by their “home state.” The home state will have responsibility for authorizing the institution for purposes of interstate reciprocity and will be the default forum for consumer complaints. Once an institution is authorized by its home state, it will be allowed to offer its distance education programs in other states participating in the reciprocity agreement.

- The agreement narrows the scope of physical presence definitions to include the ongoing occupation of an actual physical location for instructional purposes or the maintenance of an administrative office to facilitate instruction in the state. It identifies a number of institutional activities that do not trigger physical presence requirements, such as advertising, faculty members’ residence, field trips, and certain blended learning courses. States must agree to the physical presence definitions within the agreement for out-of-state institutions serving students in their state.

- The agreement relies on accreditation by a federally-recognized accreditation agency to provide sufficient evidence of institutional quality for purposes of interstate reciprocity. Another prerequisite for state and institutional participation will be the existence within a state of a clear process for receiving and resolving consumer complaints.

- In terms of assessing an institution’s financial soundness, the agreement relies on the financial responsibility system used by the U.S. Department of Education to determine if an institution qualifies for Title IV program participation as an indicator of an institution’s fiscal stability.

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