



# NEW ENGLAND BOARD OF HIGHER EDUCATION

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*Office of the President*

February 10, 2014

Sen. Danté Bartolomeo, Co-Chair  
Higher Education and Employment Advancement Committee  
State Capitol, Room 011  
Hartford, CT 06106

Rep. Roberta B. Willis, Co-Chair  
Higher Education and Employment Advancement Committee  
Legislative Office Building, Room 1800  
Hartford, CT 06106

**Re: H.B. 6715, AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING DISTANCE LEARNING PROGRAMS.**

Dear Sen. Bartolomeo and Rep. Willis,

On behalf of the New England Board of Higher Education (NEBHE), thank you for accepting our testimony regarding H.B. 6715, AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING DISTANCE LEARNING PROGRAMS.

**Background of SARA:**

In 2010, the U.S. Department of Education articulated that each state is responsible for authorizing education offered to its residents from institutions outside the state. This regulation had major implications: institutions of higher education would have to initiate an expensive and time-consuming process to request authorization for each state submitting an application to deliver instruction. Furthermore, states faced the prospect of requests from thousands of institutions.

Subsequently, accreditors, government agencies and higher education organizations proposed a nationwide reciprocity agreement to address these challenges. The State Authorization Reciprocity Agreement, or SARA, should:

- Broaden offerings and lower costs for students;
- Save institutions from seeking approvals for their classes and degree programs on a case-by-case, state by state, basis;
- Allow states to focus on oversight of their own institutions.

### **SARA, a nationwide agreement**

For the past two years, several organizations have been engaged in an effort to develop a national reciprocity agreement to address the challenges of state authorization. The result of this discussion has been the Findings, Principals and Recommendations of the State Authorization Reciprocity Agreement (SARA). When it becomes operational, SARA will require each participating accredited, degree-granting institution to be authorized by its home state and eliminate the need for it to obtain individual approvals in all of the states where they serve students.

**As proposed, SARA can, over time, make state authorization policy and regulatory mechanisms more consistent across the states, regions and the nation.**

SARA is built on three partnerships:

- Among states as reciprocal partners,
- Among the four regional compacts for higher education, and
- Among nationally recognized accreditors, the federal government and the states.

This three-way collaboration has traditionally worked well to assure students of quality, accountability and consumer protection.

Consistent with their collaborative missions to expand educational opportunity within their regions, the four regional higher education interstate compacts are uniquely positioned to assist on this issue. In addition to NEBHE, the compacts include the Midwestern Higher Education Compact (**MHEC**), the Southern Regional Education Board (**SREB**) and the Western Interstate Commission for Higher Education (**WICHE**).

NEBHE believes that states within a region, working together and agreeing on terms of engagement and collaboration, can work cooperatively and consistently toward reciprocally accepting each other's authorization of institutions to (do you want to say deliver instruction?). Interstate recognition within a region also would extend to cover all participating states regardless of region. Trust becomes a guiding principle for a state authorization reciprocity agreement — and requires confidence that each partner take seriously its responsibilities to authorize only institutions that provide high quality education, whether through traditional campus classroom experiences or through technology-mediated or off-campus based experiences.

### **A voluntary agreement**

SARA establishes reciprocity between willing member states that accept each others' authorization of accredited institutions to operate in their states to offer educational services beyond state boundaries. Participation in this agreement is entirely voluntary. This agreement is intended to facilitate expanded access to high-quality distance education opportunities for students by improving state policy and operational mechanisms.

This agreement applies only to educational services provided by institutions outside of their home state boundaries. It in no way affects the unique processes that states may use to authorize an institution to operate or to exempt an institution from oversight within its own state.

Participation at the institution level is voluntary as well. Institutions that do not wish to subject themselves to the level of oversight consistent with interstate reciprocity may choose either not to provide educational services beyond the boundaries of their state or to seek separate authorization to operate in states in which they wish to offer educational services.

### **Benefits of reciprocity**

Significant benefits will accrue to institutions, states and students if the current lack of uniformity in the patchwork of state regulation can be improved through sharing common, consistently applied processes and standards.

**Institutions** will reap financial benefits by no longer having to engage in the confusing and duplicative process of seeking approval to operate on an individual, case-by-case basis in each state in which they serve students.

**States** will benefit by focusing their limited resources on the oversight of institutions within their state, regardless of where that institution serves students. As the number of institutions serving students in multiple states continues to increase, state regulatory offices would find it difficult to conduct meaningful reviews and ongoing oversight of the hundreds, if not thousands, of out-of-state institutions operating in their states.

**Students** will benefit because lower costs for institutions will mean fewer costs passed on to them. Some students are finding their options limited as institutions choose not to serve students in states with onerous authorization requirements. Since regulators will focus their reviews on their home-state institutions, they will have more confidence in the review process and that complaints will be handled and resolved properly.

For all these reasons, NEBHE encourages the State of Connecticut to strongly consider legislation permitting the state and its institutions to enter into the State Authorization Reciprocity Agreement.

Furthermore, if there are ways in which NEBHE can assist in Connecticut's review of SARA policies and procedures, as well as state and institution obligations and implementation, please do not hesitate to contact our staff.

Sincerely,



Michael Thomas  
President and CEO  
New England Board of Higher Education

# The State Authorization Reciprocity Agreements: SARA

## Higher Education needs a new way for states to oversee the delivery of postsecondary distance education.

The current process is too varied among the states to assure consistent consumer protection, too cumbersome and expensive for institutions that seek to provide education across state borders, and too fragmented to support our country's architecture for quality assurance in higher education — the quality assurance “triad” of accrediting agencies, the federal government, and the states.

A new, voluntary process of state oversight of distance education has been created to redress these problems. The State Authorization Reciprocity Agreement 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.



### Problems

- States and territories 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 and territory where it enrolls students.
- Consequently, thousands of institutions are required to contact and work through as many as 54 states and territories, and, sometimes, with multiple regulatory agencies in those states.
- That process is inefficient, costly, and not effective in supporting access to high quality distance education throughout the country.

### Solution

The State Authorization Reciprocity Agreement (SARA) establishes a state-level reciprocity process that will support the nation in its efforts to increase the educational attainment of its people by making state authorization:

- more efficient, effective, and uniform in regard to necessary and reasonable standards of practice that could span states;
- more effective in dealing with quality and integrity issues that have arisen in some online/distance education offerings; and
- less costly for states and institutions and, thereby, the students they serve.

### Key Points

- SARA is voluntary for states and institutions.
- Administered by the four regional higher education compacts (Midwestern Higher Education Compact, New England Board of Higher Education, Southern Regional Education Board, and the Western Interstate Commission for Higher Education), which began accepting applications from states in their regions in early 2014. Once states are approved, they can begin to enroll eligible institutions.
- Membership is open to degree-granting postsecondary institutions from all sectors (public colleges and universities; independent institutions, both non-profit and for-profit) accredited by an agency recognized by the U.S. Secretary of Education.

## Benefits to States

- Expands educational offerings to state residents.
- Allows SARA states to focus on their home-state institutions, rather than on institutions from many other states.
- Maintains state regulation of on-the-ground instruction offered by out-of-state institutions.
- Other SARA states will help resolve complaints. (SARA states commit to resolving complaints from distance ed. offered by their institutions.)
- Reduces costs for institutions, lessening this particular need to raise fees and thereby supporting affordability.
- No cost to states.

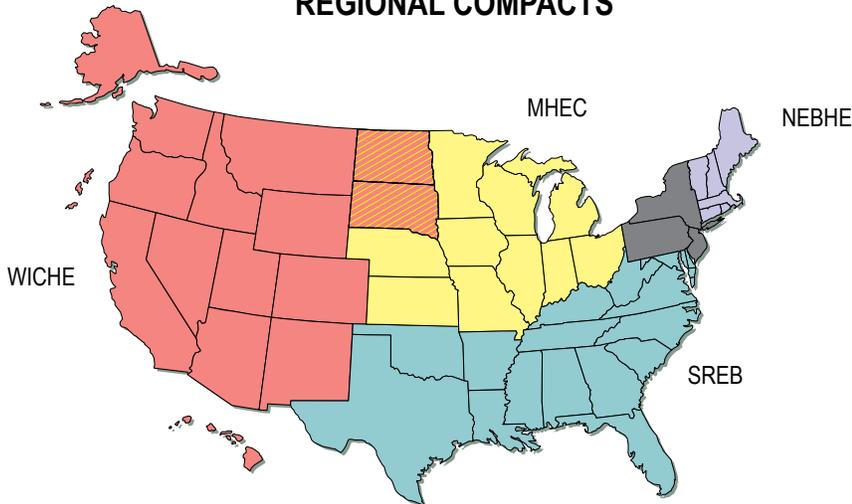
## Benefits to Institutions

- Enables more efficient provision of distance education to a broader market.
- Reduces number of other-state regulations to continually monitor and track.
- Reduces number of applications and individual state requirements.
- Reduces costs.
  - » Applications, surety bonds, agent licenses, etc.
  - » Staff (payroll and time).
  - » Reduced costs = potentially lower fees for students.

## Benefits to Students

- Expands access to educational offerings.
- Should lead to better resolution of complaints from students in SARA states.
- Reduces a rapidly growing institutional cost that is passed along to students.
- Should enhance overall quality of distance education.

## REGIONAL COMPACTS



New England Board of Higher Education  
State Authorization  
Reciprocity Agreement

*A voluntary, regional approach  
to state oversight of distance education*

### MHEC

Midwestern Higher Education Compact

### NEBHE

New England Board of Higher Education

### SREB

Southern Regional Education Board

### WICHE

Western Interstate Commission for Higher  
Education

## For more information, contact:

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