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AGENDA
Welcome and introductions — Paul E. Lingenfelter, Chair

Agenda Item I (ACTION): Approval of minutes of the May 8–9, 2019 meeting

Agenda Item II: Update on NC-SARA progress
   a) Lori Williams, National Council for State Authorization Reciprocity Agreements (NC-SARA)
   b) Susan Heegaard, Midwestern Higher Education Compact (MHEC)
   c) Michael Thomas, New England Board of Higher Education (NEBHE)
   d) Stephen Pruitt, Southern Regional Education Board (SREB)
   e) Demarée Michelau, Western Interstate Commission for Higher Education (WICHE)

Agenda Item III: Report and recommendations of the Executive Committee – Paul E. Lingenfelter, Chair
   a) NC-SARA FY 2019 audit
   b) (ACTION): Modification of the NC-SARA Bylaws (substitute the word “Board” where the NC-SARA Board is referenced and keep “Council” for the NC-SARA organization)
   c) (ACTION) Recommendations for the election of Board members, Committee members and Officers

Action Item IV (ACTION): Finance Committee report– Leroy Wade, Treasurer
   a) Committee report
   b) Review of institution fees

Agenda Item V (ACTION): Modifications to the SARA Manual
   a) (ACTION): Approve recommendation that states determine consequences for institutional failure to report enrollment data
   b) (ACTION): Approve affirming state responsibility for confirming federal financial composite scores to determine an institution’s eligibility to participate in SARA
c) **(ACTIONS):** Approve recommendation regarding an institution’s eligibility to participate in SARA following a change in ownership

d) **(ACTIONS):** Approve recommendation regarding aligning new Federal Regulation language with the SARA Manual language on the use of the word “located” versus “resides”

e) **(ACTIONS):** Approve adding statement to clarify the relationship between the *Unified Agreement* and the *SARA Manual* to confirm the *SARA Manual* as current policy document

**Agenda Item VI:** Information items – Lori Williams

a) Update on 30-60-90 Day plan

b) Enrollment and experiential learning placement reporting

c) Federal negotiated rulemaking

d) Update on new website, student and institution support, searchable catalog of academic programs offered by SARA participating institutions, and the “State Authorizations Guide.”

e) Staffing and staff activities

**Agenda Item VII (ACTIONS):** Executive session

**Agenda Item VIII:** Questions, comments, reflections from council members

**Adjourn**
BOARD MEMBERS

Please note that the current term for each Board member ends after the final board meeting of the specified year next to each name. Compact presidents are not term limited.

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NC-SARA AGENDA ITEM

Welcome and introductions — Paul E. Lingenfelter, Chair

Action Item: ☑ Yes ☐ No
NC-SARA AGENDA ITEM

Agenda Item I: Approval of minutes of the May 8-9, 2019 meeting

Action Item:  ☑ Yes  ☐ No
MINUTES OF THE NC-SARA BOARD MEETING
MAY 8–9, 2019
THE WESTIN DENVER INTERNATIONAL AIRPORT
DENVER, COLORADO

NOTICE OF MEETING
Notice of the time and place of the NC-SARA Board Meeting was posted on the NC-SARA website and given to Board members, regional SARA directors, and other interested parties.
An agenda is maintained in the NC-SARA office at 3005 Center Green Drive, Suite 130, Boulder, CO 80301; and online at www.nc-sara.org.

Welcome and introductions
Paul E. Lingenfelter, Chair

Board members in attendance:
Barbara Ballard
Chris Bustamante
Kathryn Dodge
Dianne Harrison
Susan Heegaard
Teresa Lubbers
Leah Matthews
Demarée Michelau
Pat O’Brien
Stephen Pruitt
Pam Quinn
Ed Ray
George Ross
Kathleen C. Santora
Paul Shiffman
Peter Smith
Michael Thomas
Larry Tremblay
Leroy Wade

NC-SARA staff present:
Marianne Boeke
Victoria Brieske
Marshall A. Hill
Mary A. Larson
Holly Martinez
Nick Ortiz
Jennifer Shanika
Shannon Walker

Regional compact staff present:
Wanda Barker, SREB
Jennifer Dahlquist, MHEC
Emily Jacobson, MHEC
Elisa Jaden, SREB
Shelley Plutto, WICHE
Christina Sedney, WICHE
Rachael Stachowiak, NEBHE

Guests:
Jim Hall
Ted Marchese, AGB Search
Jeannie Yockey-Fine, Hogan Lovells

Board members in attendance by phone:
No one.

Board members not in attendance:
Belle Wheelan
Meeting was called to order at 11:47 AM (Mountain Standard Time).

**Agenda Item I (ACTION): Approval of minutes of the November 1, 2018 meeting**

Motion to approve – Michael Thomas  
Seconded – Larry Tremblay  
Approval passed unanimously, with no suggested revisions.

**Agenda Item II: Update on the progress of the SARA initiative**

- **a) Marshall A. Hill, NC-SARA**  
  NC-SARA President and Chief Executive Officer (President/CEO) Marshall A. Hill shared with the Board that the SARA initiative is currently in good standing. He directed the meeting attendees’ attention to the section of the Board Book that featured charts and illustrations of the initiative’s growth in state membership and institution participation, from January 2014 to April 2019. At the time of the meeting, Hill announced, 49 of 50 states (California being the exception) are active members of the SARA initiative. One district (the District of Columbia) and two territories (Puerto Rico and the U.S. Virgin Islands) are also recognized members. As of May 8, 1,965 institutions are participating in SARA; the initiative has an annual institutional renewal rate of 99 percent.

  Hill reported that one challenge currently being faced by NC-SARA originates from institutions that are seeking to participate in SARA, despite not meeting the SARA eligibility requirements. In addition, a small number of institutions press for SARA to remove their need to obtain approvals from professional licensing boards.

- **b) Susan Heegaard, Midwestern Higher Education Compact (MHEC)**  
  President Susan Heegaard of MHEC informed the Board that the Midwestern Compact is home to 562 (or, 30%) of the institutions currently participating in SARA. Renewal of both institutions and states in the region remains steady, with Iowa being the most recent member to be reapproved.

- **c) Michael Thomas, New England Board of Higher Education (NEBHE)**  
  President Michael Thomas shared with the Board that NEBHE currently has 231 institutions participating in SARA, with the state of Massachusetts continuing to bring more institutions to the initiative. New England states continue to renew. A challenging issue currently being faced by the region is the closure and/or merging of New England institutions.

- **d) Stephen Pruitt, Southern Regional Education Board (SREB)**  
  President Stephen Pruitt of SREB informed the Board that the SREB region continues to support 45 percent of the institutions currently participating in SARA. New regional steering committee members have been elected in the District of Columbia and North Carolina. A membership issue has arisen with the state of Texas; however, President Pruitt and his staff are confident that the matter will be resolved in the near future.

- **e) Demarée Michelau, Western Interstate Commission for Higher Education (WICHE)**
Newly-appointed President of WICHE Demarée Michelau introduced herself to Board, along with regional staff members Christina Sedney (Director of Policy Initiatives and State Authorization) and Shelley Plutto (Administrative Assistant III).

President Michelau informed the Board that the Western compact is home to 16 SARA member states, with California being the only WICHE state (and the only state in the U.S.) that has not yet applied to join the initiative. State renewals remain consistent, with New Mexico and Wyoming being the most recent WICHE SARA members to be reapproved.

Agenda Item III (ACTION): Report and recommendations of the Executive Committee – Paul E. Lingenfelter, Chair

a) **(ACTION):** Modification of the *NC-SARA Bylaws*

Motion to approve – Pat O’Brien
Seconded – Peter Smith

Chair Lingenfelter briefly reviewed the proposed changes to the *NC-SARA Bylaws.* Primary recommendations included: (1) updating the language of the *Bylaws* to read in present tense rather than future tense; and (2) change the language in such a way as to clearly communicate all components of SARA’s overarching mission.

Board member Kathleen Santora suggested that the *Bylaws* be changed to include the words “federal policymakers” in Item C, Section 3 (following the word “accreditors.”)

Concern was expressed by President Pruitt over the inclusion of the word “federal” in the *Bylaws.* It was pointed out that the use of the word “policymakers” would be more consistent with the overall language of the document.

A modified version of the language for Item C, Section 3 is featured in the excerpt below in red (i.e. red and underlined):

“Building public awareness of and support for SARA through regular communications to students, states, accreditors, institutional leaders and other stakeholders.”

The original motion was withdrawn and Board members agreed that the inclusion of the words “other stakeholders” would be a reasonable modification to Item C, Section 3.

NC-SARA staff will work with Chair Lingenfelter to finalize the new language in the latter section.

Another area of the *Bylaws* that was addressed for revision pertained to the nomination and terms of Board members.

It was agreed that the nomination process would remain open to all members of the higher education community, with a public call announced on the NC-SARA website.

On page 28, regarding Board member term limits, the following change was proposed: “There should be no designated term of office for the presidents...”
Motion to approve changes (as noted and discussed) – Larry Tremblay
Seconded – Susan Heegaard
Motion passed unanimously.

b) (ACTION): Nomination of Susan Heegaard to membership on the Executive Committee for a term ending at the close of the fall 2019 Board Meeting.

Motion to nominate – Larry Tremblay
Nomination passed unanimously.

Action Item IV (ACTION): Finance Committee report and FY 2020 budget – Leroy Wade, Treasurer

a) Committee report
Treasurer Leroy Wade provided an overview of the Finance Committee’s analysis of NC-SARA’s financial activities since November 2018. NC-SARA’s revenue continues to exceed expenditures.

A proposal to invest NC-SARA’s reserve funds has been developed by Marshall Hill and approved by the Finance Committee. NC-SARA, with the assistance of TIAA, will divide the organization’s reserves into smaller amounts and invest the money into Certificates of Deposit (CDs) at different banks. An average annual return of 2 percent is expected.

b) FY 2020 budget
Treasurer Leroy Wade addressed both the key points and proposals for the NC-SARA budget for the 2020 fiscal year. Additional funding was requested for the following areas/actions: an increase in allocations to regional compacts; increases in reserve funding; salaries and benefits for two additional staff members.

Board member Pat O’Brien requested that copies of NC-SARA’s most recent quarterly financial statements be shared with the full Board along with an overview of staff benefits, such as insurance and retirement.

Board member Ed Ray recommended that the Chair of the Finance Committee provide a full financial report at all future meetings, to ensure that money is present and being allocated appropriately. NC-SARA President/CEO Hill agreed and offered to provide a current financial overview to the Board.

Motion to pass budget – Leroy Wade
Seconded – Leah Matthews
Approval passed unanimously.

Agenda Item V (ACTION): Modifications to the SARA Manual

NC-SARA President/CEO Marshall A. Hill guided Board members through the revisions that he recommended be made to the SARA Manual. Some of the key areas that were mentioned in the overview are listed below.
• Definitions that were added: branch campus, main campus, and central administrative unit
• Changes to the appeals process: Regional Compacts and State Portals are to establish an individualized appeal process for SARA-participating institutions
• Policy additions: how SARA will address and assist SARA-participating institutions that have been affected by a catastrophic event

New policy language: Section 8.3 – requesting substantial changes to SARA policies
Following the overview, Chair Lingenfelter opened the floor for questions and suggestions.

Board member Paul Shiffman suggested the addition of the word “cross-border” or “interstate” to page 2, paragraph 1, line 3, in Section 8. President/CEO Hill agreed.

Board member Pat O’Brien addressed certain language in the appeals process and mandatory arbitration sections on page 20 and 32, respectively. MHEC President Heegaard agreed with O’Brien about the language of the appeals process section; President Heegaard recommended that an additional six months be provided states and regional compacts to develop the new appeals procedures. President Hill agreed that the deadlines would be extended.

Motion to approve the recommended modifications to the SARA Manual – Michael Thomas
Seconded – Stephen Pruitt
Approval passed unanimously.

Additional approved edits will be made to the SARA Manual and the latest version will be uploaded to the NC-SARA by the end of May 2019. PowerPoints and webinars will also be available for download.

Agenda Item VI: Information items – Marshall A. Hill

a) Enrollments and experiential learning placement reporting
NC-SARA President/CEO Hill asked staff member Marianne Boeke to brief the Board about the annual Enrollment and Out-of-State Learning Placements (OOSLP) data SARA-participating institutions submit to NC-SARA.

Boeke shared that the reporting period for 2019 will begin on May 14 and conclude on June 4. In 2018, institution compliance of reporting (both enrollments and placements) was excellent. Although not required at the time, 297 institutions voluntarily submitted data for the OOSLP report. In 2019, the reporting of out-of-state learning placements is mandatory.

b) Federal negotiated rulemaking
At present, federal negotiated rulemaking remains an ongoing challenge. In the winter of 2018, President/CEO Hill met with the senior staff of the U.S. Department of Education. Senior ED staff was very complimentary of SARA.

The negotiated rulemaking process has reached consensus and basically affirmed the rules affecting state authorization of distance education issued by ED in December 2016. The confusing aspects of those rules persist and will need to be addressed in the future.
c) Update on website, student and institutional support, and searchable catalog of academic programs offered by SARA participating institutions.

Staff expects a new NC-SARA website will be made available by the end of May 2019. The site has been redesigned to feature more information about student and institution support, including PowerPoint and webinar presentations available for download. It will also feature a searchable catalog of academic programs offered by voluntarily participating SARA institutions, which will be available in the summer of 2019.

d) Staffing and staff activities

President/CEO Hill introduced to the Board NC-SARA’s new staff member: Nick Ortiz, Assistant for Student and Institution Support. He also presented to the Board a list of the activities and presentations that the NC-SARA staff have participated in since the fall 2018 meeting. That list follows:

**Staff Activities and Presentations**  
**November 1, 2018 – May 1, 2019**

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td>WCET SAN Open Forums</td>
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<tr>
<td>Monthly</td>
<td>WCET SAN Monthly Calls and Webinars</td>
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<tr>
<td>Monthly</td>
<td>Texas Out of State Activities Compliance Calls</td>
</tr>
<tr>
<td>Monthly</td>
<td>SARA Director Calls</td>
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<tr>
<td>November 1, 2018</td>
<td>Quality Matters Conference</td>
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<tr>
<td>November 1 – 2, 2018</td>
<td>SAN Ohio Meeting</td>
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<tr>
<td>November 2, 2018</td>
<td>WICHE Steering Committee Meeting</td>
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<tr>
<td>November 6 – 7, 2018</td>
<td>PA-SARA Conference</td>
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<tr>
<td>November 7 – 8, 2018</td>
<td>VA-SARA Conference</td>
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<tr>
<td>November 15 – 16, 2018</td>
<td>UT-SARA Meeting</td>
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<tr>
<td>November 28 – 30, 2018</td>
<td>IFWE Conference</td>
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<tr>
<td>December 3 – 4, 2018</td>
<td>NC-SARA Data Committee Meeting</td>
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<tr>
<td>December 4 – 5, 2018</td>
<td>Credential Registry Learn and Build Summit: Putting Ideas into Action (Credential Engine)</td>
</tr>
<tr>
<td>December 12 – 14, 2018</td>
<td>NEBHE Steering Committee Meeting</td>
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<tr>
<td>December 18, 2018</td>
<td>W-SARA Autumn Meeting</td>
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<tr>
<td>January 21 – 28, 2019</td>
<td>CCME Annual Conference</td>
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<tr>
<td>January 28 – 30, 2019</td>
<td>CHEA Annual Conference</td>
</tr>
<tr>
<td>February 12 – 13, 2019</td>
<td>NC-SARA Student Catalog Conversation</td>
</tr>
<tr>
<td>February 27 – March 1, 2019</td>
<td>Higher Learning Partners Meeting</td>
</tr>
<tr>
<td>March 3 – 6, 2019</td>
<td>South by Southwest Education Conference</td>
</tr>
<tr>
<td>March 5 – 6, 2019</td>
<td>SAN Basic Workshop</td>
</tr>
</tbody>
</table>

Financial information and available quarterly statements for FY 2019 were distributed to all Board members.

**BREAK / DISMISSAL OF STAFF at 3:27 PM**

Board members reconvened on Thursday, May 9, at 8:30 AM
Agenda Item VII (ACTION): Executive session

During the executive session the Board interviewed candidates to succeed Marshall Hill as President and CEO of NC-SARA. After those interviews and consequent discussion, the Board selected Dr. Lori Williams, currently Vice President of the WASC Senior College and University Commission (WSCUC), an accrediting body overseeing institutions in California, Hawaii and the Pacific. She subsequently accepted with pleasure and will begin service on August 1, 2019.

Agenda Item VIII: Questions, comments, reflections from council members

Adjourn
NC-SARA AGENDA ITEM

October 29–30, 2019

Agenda Item II: Update on NC-SARA progress

Action Item: ☐ Yes ☐ No


Lori Williams will provide an overall assessment. Regional compact presidents will focus more closely on developments within their regions.

a. Lori Williams, National Council for State Authorization Reciprocity Agreements (NC-SARA)
b. Susan Heegaard, Midwestern Higher Education Compact (MHEC)
c. Michael Thomas, New England Board of Higher Education (NEBHE)
d. Stephen Pruitt, Southern Regional Education Board (SREB)
e. Demarée Michelau, Western Interstate Commission for Higher Education (WICHE)

See figures in Appendices
NC-SARA AGENDA ITEM

October 29–30, 2019

Agenda Item III: Report and recommendations of the Executive Committee –
Paul E. Lingenfelter, Chair

Action Item: ☐ Yes ☐ No

a. NC-SARA FY 2019 audit report

b. Modification of the NC-SARA Bylaws (substitute the word “Board” where the NC-SARA Board is referenced and keep “Council” for the NC-SARA organization)

c. Re-nomination of Board members to a three-year term – 2020 to 2023

d. Nominations for two-year terms to Executive Committee (returning members)

e. Nominations of Regional Presidents to serve on the Executive Committee

f. Nominations of members of the Finance Committee

g. Nominations of Officers

h. Nomination of individuals to be elected to three-year terms to the NC-SARA Board, 2020 to 2022
Report and recommendations of the Executive Committee – Paul E. Lingenfelter, Chair

a) **ACTION:** NC-SARA FY 2019 audit

**Background**

FY 2019 covered the period July 1, 2018 through June 30, 2019. NC-SARA’s *Bylaws* call for the Executive Committee to “Identify an auditing form for periodic audits, receive the audits, and report findings to the Finance Committee and the Board.”

The FY2019 audit was carried out again this year by the Denver office of RubinBrown®, LLP, a national and professional consulting firm. RubinBrown® audited the financial statements prepared by Flewelling & Mitton, PC, NC-SARA’s external accounting firm, located in Louisville, CO. RubinBrown® staff worked closely with Flewelling and Mitton, and did field work in the NC-SARA offices August 20-22, 2019. The FY 2019 audit is the fourth audit of NC-SARA’s annual financial statements. RubinBrown® considers its audit a “draft” audit until it is formally received by the client.

The audit report will be provided separately.

**Recommendation**

Paul Lingenfelter, Chair, will present the recommendation of the Executive Committee.

b) **ACTION:** Modifications to the NC-SARA *Bylaws*

**Background**

NC-SARA adopted its *Bylaws* on May 14, 2014, during the second meeting of the organization. Since then, modifications have been made in December, 2015; November, 2017; May, 2018; and November, 2018.

The NC-SARA Executive Committee recommends modifications to the NC-SARA *Bylaws* that would substitute the word “Board” where the NC-SARA Board is referenced and keep “Council” for the NC-SARA organization. For context, the full text of the *Bylaws* appears below. Language recommended for removal is struck through; recommended new language is red and underlined.
National Council for State Authorization Reciprocity Agreements

BYLAWS
(Effective Date: May 14, 2014; Latest revision: October 30, 2019)

ARTICLE I
Name and Location, Description, Mission, and Purpose

Section 1: Name and Location
The name of the organization is the National Council for State Authorization Reciprocity Agreements (NC-SARA). Its principal place of business shall be in Boulder, Colorado.

Section 2: Description
The National Council for State Authorization Reciprocity Agreements is an independent and autonomous organization operating as a coordinating body for the voluntary State Authorization Reciprocity Agreements among regional higher education compacts and their member states, districts, and U.S. territories. Participating regional compacts include: the Midwestern Higher Education Compact (MHEC), the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE). NC-SARA shall promote and certify the consistency of the four regional SARA agreements and provide a venue for discussing problems and mediating disputes that might threaten the continuation of the agreements.

NC-SARA shall be a nonprofit organization (i) established and operated in accordance with the provisions of 26 U.S.C. Section 501(c)(3) (the "Internal Revenue Code") and accompanying regulations; and (ii) incorporated and operated under the Colorado Revised Nonprofit Corporation Act, Title 7, Articles 121-137 of the Colorado Revised Statutes. Its period of duration shall be perpetual unless terminated in accordance with Article VIII (page 7).

Section 3: Mission
The National Council for State Authorization Reciprocity Agreements, in collaboration with the four regional higher education compacts, was established to develop and implement an effective and efficient reciprocal state-level authorization process for postsecondary distance education. Its mission is to provide broad access to postsecondary education opportunities to students across the country, to increase the quality and value of higher learning credentials earned via distance education, and to assure students are well served in a rapidly changing education landscape.

NC-SARA strives to achieve its mission by:

a. Promoting and advancing efforts to ensure inter-regional alignment on core elements and requirements of State Authorization Reciprocity Agreements (SARA);

b. Working collaboratively with the full spectrum of stakeholders in the higher education community, including but not limited to, large- and small-scale distance education...
providers, regional and national accreditation agencies, elected state officials, state regulators, and state higher education executive officers;

c. Building public awareness of and support for SARA through regular communications to students, states, accreditors, institutional leaders and other stakeholders; and

d. Participating actively in cooperative efforts of states and the larger higher education community to improve service to students and the nation through distance education.

Section 4: Purposes
The purposes for which NC-SARA is organized are exclusively charitable, scientific, literary, and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), or the corresponding provision of any future United States Internal Revenue law. Notwithstanding any other provision of these bylaws, NC-SARA shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Code or the corresponding provision of any future United States Internal Revenue law.

ARTICLE II
NC-SARA Membership and Executive Committee

Section 1: NC-SARA Membership
NC-SARA shall be made up of 17 to 23 individual National Council Board members. The duties and responsibilities of NC-SARA Board members are limited to those contained within these bylaws. Board Council members should come from the range of impacted groups to assure a wide range of support as the interstate reciprocity agreements are promoted and implemented, while also taking into consideration the need for those groups to have a permanent voice. Council Board members should be drawn from all institutional sectors (including large- and small-scale distance education providers), regional and national accreditation agencies, and state officials including state regulators and state higher education executive officers.

a. Nomination and Election. The Executive Committee of the Board shall consider nominees and recommend candidates to the Board for election. Prospective NC-SARA members may self-nominate or be nominated by others to serve. Council Board members shall be chosen from those nominated through a majority vote of the Council Board.

b. Selection Criteria. Though the Board shall represent a diverse set of perspectives and interests, membership shall not be driven by numerical representation or delegated interests. Instead, members shall be selected based on their knowledge of the field, ability to work across multiple perspectives, and commitment to the collaborative work and success of SARA and NC-SARA.

c. Regional Compact Presidents. The presidents of the four named regional compacts—as described in Article I, Section 2—of these bylaws, (or their designees) shall be voting members of NC-SARA, but they shall not be eligible to serve as the NC-SARA Chair, Vice Chair, or Treasurer. There shall be no designated term of office for the presidents of the
regional compacts (or their designees), nor a limitation on consecutive terms.

d **Resignation.** Any member may resign by written notice to the NC-SARA President and Chief Executive Officer (CEO) and the NC-SARA Board Chair.

e **Removal.** Any NC-SARA member who misses two consecutive NC-SARA meetings without advance notice or justification shall automatically lose his or her membership. Additionally, NC-SARA, at its discretion, may remove a member at any time for due cause by two-thirds vote of all NC-SARA members.

f **Terms of Office.** Except as provided for in Article II, Section 1, c, members of NC-SARA appointed after June 1, 2018, shall serve a maximum of two, three-year terms. The term of office for Board members shall begin as stated upon their election to the Board and end at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term. The terms of successor board members shall begin at that same time, or upon appointment if filling a mid-term vacancy.

g **Vacancies.** When a vacancy on the NC-SARA Board exists mid-term, this seat may be filled through a special nomination process determined by the President and CEO in consultation with the Executive Committee. Any NC-SARA member selected to fill a vacancy shall serve the remainder of the term for the vacant seat, but may continue to serve if elected through the general nomination and selection process.

h **Compensation.** NC-SARA members shall not receive compensation for their service, but may be reimbursed reasonable travel costs associated with attendance at NC-SARA meetings and any Executive Committee, ad hoc committee, or task force meetings.

i **Officers.** The NC-SARA Board shall have three officers: Chair, Vice Chair, and Treasurer. Officers shall serve a maximum of two, two-year terms, ending at the conclusion of the final NC-SARA Board meeting of the last calendar year of their specified term. Officers shall have the following duties:

1. **The Chair.** The Chair shall convene and preside over all meetings of the Executive Committee and all general NC-SARA Board meetings.

2. **The Vice Chair.** The Vice Chair shall preside over meetings in the absence of or at the request of the Chair.

3. **The Treasurer.** The Treasurer shall oversee the management and reporting of NC-SARA finances.

**Section 2: Executive Committee**

An Executive Committee shall provide support and guidance to the President and CEO on a regular basis.
a. **Executive Committee Action.** When matters require timely execution and, for practical reasons, cannot wait for a formal meeting of the full NC-SARA membership, the Executive Committee may act for and exercise all the powers of NC-SARA, except as such actions and powers are reserved to the members in accordance with these bylaws. Such actions by the Executive Committee shall be promptly reported to the full membership.

b. **Membership.** The Executive Committee shall be elected by the NC-SARA Board. There shall be eight members of the Executive Committee, all of whom shall be currently serving NC-SARA members and two of whom shall be the president of a participating regional compact (Midwestern Higher Education Compact, New England Board of Higher Education, Southern Regional Education Board, Western Interstate Commission for Higher Education). The four regional compact presidents shall choose which two of their members shall serve on the Executive Committee, and those designated members shall serve on the Committee without term limits. Executive Committee members shall serve a two-year term, ending at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term. Executive Committee members shall have an option to serve an additional two-year term, with the approval of the NC-SARA Board. The Chair, Vice Chair, and Treasurer of NC-SARA shall serve on the Executive Committee ex officio, without regard to Executive Committee term limits. The Chair and Vice-Chair of NC-SARA shall be Chair and Vice-Chair, respectively, of the Executive Committee. The Executive Committee shall also include the following non-voting individuals in its meetings:

i. **President and Chief Executive Officer.** The President and CEO—described in Article III, Section 2—shall serve on the Executive Committee, but shall not vote on any matters.

ii. **Past Chair.** The Chair from the previous term shall serve as confidant and advisor to the new Chair, but he/she shall not be required to attend Executive Committee meetings.

c. **Specified duties.** The Executive Committee shall have the following responsibilities:

iii. Solicit and consider nominations for NC-SARA Board Members and recommend candidates to the NC-SARA Board for the Board’s consideration and election.

iv. Solicit nominations for NC-SARA officers, Executive Committee and Finance Committee members from the full Board, and recommend candidates to the Board for its consideration and election.

v. Evaluate the performance of the NC-SARA President and CEO and, in consultation with the Finance Committee, recommend his/her compensation to the NC-SARA Board prior to the beginning of each fiscal year.

vi. Assess evolving distance education issues and practices, review proposals or requests for substantive changes to SARA policies, procedures and agreements, and recommend any necessary or advisable changes to the Council Board.
vii. Identify an auditing firm for periodic audits, receive the audits, and report findings to the Finance Committee and Board.

viii. Any other duties enumerated elsewhere in these bylaws or assigned to the committee by the Chair of NC-SARA.

Vacancies on the Executive Committee. Vacancies on the Executive Committee shall be filled by vote of a majority of the remaining members of the Executive Committee. A person so elected shall serve until the next meeting of the membership of NC-SARA, at which time a special election shall be held to fill the vacancy for the remainder of the unexpired term...

### ARTICLE III

**Governance and Staff**

**Section 1: Governance**

The NC-SARA Board shall have oversight over the general operation of NC-SARA and shall delegate responsibility as set forth in section 2 below. The NC-SARA Board shall review and approve the annual budget of all NC-SARA activities.

**Section 2: President and CEO and Staff**

The NC-SARA President and CEO shall be the chief executive officer of NC-SARA and be responsible for administering the work and budget of NC-SARA, pursuant to the decisions of the Executive Committee and the full Council Board. The President and CEO shall be responsible for the records and accounts of NC-SARA and shall hire and manage NC-SARA staff. The President and CEO shall be nominated by the NC-SARA Executive Committee and confirmed by a majority vote of all NC-SARA members. The President and CEO shall attend all Executive Committee and general NC-SARA meetings, but shall not vote on any matters.

### ARTICLE IV

**NC-SARA Meetings**

**Section 1: NC-SARA Meetings**

a. **Semiannual Meetings.** The full NC-SARA body shall meet at least twice per year on a specific date, time, and location designated by the President and CEO. Members shall use these semiannual meetings to receive reports on the activities and budget of the organization, assess issues related to alignment among participating regional compacts, elect the members of the Executive Committee, and take other actions consistent with the mission of NC-SARA.

b. **Special Meetings.** Special meetings may be called by the Chair or a simple majority of the Executive Committee. A petition signed by one-third of the voting NC-SARA members may also call a special meeting.

**Section 2: Meeting Procedures**

a. **Notice of Meetings.** A notice shall be sent by the President and CEO to each NC-SARA
member not less than one month prior to the meeting. Special meetings may be called with
less than one month's notice if necessary.

b. **Attendance.** All NC-SARA members are required to attend, either in person or virtually,
all semiannual meetings. Members have the right to attend NC-SARA meetings by
telephone, videoconference, or other technology that allows for remote access to meetings.
If a member cannot attend, he or she shall give timely notice to the President and CEO. If a
member cannot attend, he or she may send another person in his or her place, but such
representatives shall not vote nor count toward a quorum.

c. **Quorum.** Those present at any properly announced meeting of the membership shall
constitute a quorum.

d. **Rules of Procedure.** In the event a question of order or procedure shall arise which is not
covered in these bylaws, Robert’s Rules of Order shall prevail.

e. **Voting.** All issues to be voted on shall be decided by a simple majority of those present at
the meetings in which the vote takes place, except for matters requiring two-thirds vote as
identified and described in these bylaws.

**Section 3: Action without a Meeting**

a. **Types of Eligible NC-SARA Actions.** Upon the resolution of the Executive Committee, any action
that may be taken by the members at a meeting of NC-SARA may be taken through a mail ballot
that shall be provided to every NC-SARA member. To go into effect, any action taken through mail
ballot shall require the affirmative vote of a majority of the members.

b. **Mail Ballot Definition.** For the purposes of this section, the term "mail ballot" shall be deemed to
encompass the use of both traditional and electronic mail, provided such use shall have been
authorized by the Executive Committee.

**ARTICLE V**

Committees, Task Forces, and Common Interest Groups

Committees, task forces, and common interest groups may be appointed from time to time and
report to the President and CEO, the Executive Committee, and/or NC-SARA, as appropriate.

**Section 1: Formation of Committees and Task Forces**

The NC-SARA Board may create and dissolve committees and task forces as needed to serve in an
advisory capacity. With the exception of the Finance Committee and the Executive Committee, the
NC-SARA Chair, in consultation with the President and CEO, shall appoint all committee and task
force chairs.

**Section 2: Duties of Committees and Task Forces**

All approved committees and task forces shall provide an update on their activities at Executive
Committee meetings, upon the Chair's or the President and CEO's request, and at meetings of the

full NC-SARA membership until they complete their work or are dissolved. Any use of NC-SARA funds to support a committee or task force shall be approved by the President and CEO in consultation with the Executive Committee.

Section 3: Finance Committee
The Finance Committee shall be comprised of five members, including the Treasurer, who shall chair the Committee. The Chair of NC-SARA shall serve as an ex-officio member. The members shall include one of the four regional compact presidents, chosen by the compact presidents.

Members of the Finance Committee shall be elected by NC-SARA and shall serve two-year terms. Finance Committee members shall have an option to serve an additional two-year term, with the approval of NC-SARA. The Finance Committee shall review the annual budget for SARA, developed by the President and CEO of NC-SARA in collaboration with the presidents of the four regional compacts, prior to its consideration by the Board. The Executive Committee shall identify an auditing firm for periodic audits, receive the audits, and report findings to the Finance Committee and Board.

ARTICLE VI
NC-SARA Public Communications

The President and CEO is the principal spokesperson for NC-SARA for statements concerning local, state, and national policy and other such matters related to NC-SARA's mission. Prior to making statements on matters for which NC-SARA has not taken an official position, the President and CEO shall make reasonable efforts to consult with the members of the Executive Committee and other NC-SARA members, as appropriate. The President and CEO shall share any statements made on behalf of NC-SARA in regular NC-SARA announcements.

Section 1: Written Communications
The President and CEO, in consultation with the Executive Committee and other NC-SARA members, as appropriate, may use written correspondence to voice a common concern, request clarification on a common topic, or state a consensus position on a topic or query of importance to NC-SARA. Any written communications must be shared with all NC-SARA members in a timely fashion.

Section 2: Presentations, including representation at external forums
In the course of carrying out his or her duties, the President and CEO may be asked to represent NC-SARA by giving a presentation or attending an external forum. A summary of these activities shall be shared with NC-SARA members in regular NC-SARA announcements.

ARTICLE VII
Amendments and Dissolution

Section 1: Amendments
The Board of NC-SARA may authorize, amend or restate operating guidelines, plans, practices
and/or procedures from time to time in order to implement effectively its purposes, including any modifications to the bylaws that may be required under Colorado law. All amendments to these bylaws shall be approved by a simple majority vote of a quorum of NC-SARA members. Proposed amendments must be submitted to the NC-SARA President and CEO and sent out with regular NC-SARA announcements in advance of any vote.

**Section 2: Dissolution**
After discontinuance of business and payment of debts, any surplus funds shall be transferred as a gift and equitably divided among participating regional compacts.

**ARTICLE VIII**
Finances

**Section 1: Fund Raising**
NC-SARA shall raise funds by collection and receipt of gifts of money and property, grants, contributions, donations, bequests, receipts and fees for services so long as all such funds are accepted by the Executive Committee of NC-SARA.

**Section 2: Funds Collected and Received.**
All funds collected and received by NC-SARA, together with the income therefrom, shall be held, retained, managed, and conserved in a capital fund or funds and administered, used, and applied by the President and CEO in consultation with the Executive Committee in accordance with the mission purposes described in Article I of these bylaws. The Executive Committee may accept revenues and properties which are qualified, limited, or restricted in their use so long as such qualifications, conditions, limitations and/or restrictions shall not conflict with the mission and purposes of NC-SARA as described in Article I of these bylaws. Unless otherwise specifically required, such restricted revenues and/or property may be commingled with other funds of NC-SARA.

**ARTICLE IX**
Application and Use of Funds

**Section 1: Management of Funds**
Revenues received by NC-SARA shall be held in an account or accounts in the name of NC-SARA in such location(s) as may be designated by the Executive Committee or the Chair of the Executive Committee. NC-SARA shall hold, manage, invest, and reinvest its funds in accordance with the investment policies to be developed and approved by NC-SARA and shall collect and receive the income therefrom. After deducting all necessary expenses incident to the operation and administration of NC-SARA, such funds shall be utilized in accordance with the mission and purposes set forth in these bylaws. The Executive Committee may establish a committee within itself for the purpose of supervising and managing investments. All such revenues received and held by NC-SARA shall be distributed to such persons and in such amounts as NC-SARA shall deem appropriate, in keeping with the purposes of NC-SARA.
Section 2: Autonomy of NC-SARA
NC-SARA shall be the sole entity or person responsible for the application and use of its assets, including payment of its expenses in accordance with such operating guidelines as may be established by the Executive Committee; and it shall operate as an independent and autonomous entity for the purposes of meeting its financial obligations.

Section 3: 501(c)(3) Status
Notwithstanding any other provision of these bylaws, no expenditure shall be made in any manner or for any purpose whatsoever (i) which may jeopardize the status of NC-SARA as an organization under Section 501(c)(3) of the Internal Revenue Code, and under the Colorado Revised Nonprofit Corporation Act, Title 7, Articles 121-137 of the Colorado Revised Statutes and accompanying regulations; or (ii) which may jeopardize the status of contributions or payments by any person insofar as concerns deductions which are allowed under the provisions of Sections 170, 2055, 2106, and 2522 of the Internal Revenue Code and accompanying regulations.

ARTICLE X
Indemnification

Section 1: Authority
NC-SARA shall, to the fullest extent permitted by the Colorado Revised Nonprofit Corporation Act, indemnify all persons whom it may indemnify pursuant thereto so long as such persons have conducted themselves in good faith and reasonably believed their conduct not to be opposed to NC-SARA's best interests.

Section 2: Insurance
NC-SARA shall purchase and maintain insurance on behalf of any person who is or was a member, officer, employee, or agent of NC-SARA who, while a member, officer, employee, or agent of NC-SARA, is or was serving at the request of NC-SARA as a member, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against liability asserted against or incurred by him or her in that capacity or arising from his or her status as such, whether or not NC-SARA would have the power to indemnify him against the same liability under Article 129 of the Colorado Revised Nonprofit Corporation Act.

ARTICLE XI
Regulation

The regulation of the business and conduct of the affairs of NC-SARA shall conform to federal and state income tax laws and any other applicable federal and state law, and such regulation shall be determined by these bylaws, as they may be amended from time to time. In the interpretation of these bylaws, wherever reference is made to the United States Code, the Internal Revenue Code, the Colorado Revised Statutes, or any other statute, or to any section thereof, such reference shall encompass any future amendments, supplements, or supersession bylaws covering equivalent subject matter.
ARTICLE XII
Waiver of Notice

Except as otherwise provided by law, whenever any notice is required to be given to any NC-SARA member under the provisions of the Colorado Revised Statutes or under the provisions of the bylaws of NC-SARA, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, and delivered to NC-SARA for inclusion or filing with the minutes or corporate records, shall be equivalent to the giving of such notice.

CERTIFICATION

These bylaws were approved at a meeting of the National Council for State Authorization Reciprocity Agreements by a two-thirds majority vote on May 14, 2014.

[Signature]
Paul Lingenfelter, NC-SARA Chair
6/11/2014
Date

Modifications to these bylaws were approved at a meeting of the National Council for State Authorization Reciprocity Agreements by a two-thirds majority vote on December 1, 2015.

[Signature]
Paul Lingenfelter, NC-SARA Chair
1/12/2017
Date

Modifications to these bylaws were approved at a meeting of the National Council for State Authorization Reciprocity Agreements by a two-thirds majority vote on November 3, 2017.

[Signature]
Paul Lingenfelter, NC-SARA Chair
11/11/2018
Date

Modifications to these bylaws were approved at a meeting of the National Council for State Authorization Reciprocity Agreements by a two-thirds majority vote on May 3, 2018.

[Signature]
Paul Lingenfelter, NC-SARA Chair
5/11/2018
Date

Modifications to these bylaws were approved at a meeting of the National Council for State Authorization Reciprocity Agreements by a two-thirds majority vote on May 3, 2018.

[Signature]
Paul Lingenfelter, NC-SARA Chair
5/11/2018
Date

Modifications to these bylaws were approved at a meeting of the National Council for State Authorization Reciprocity Agreements by a two-thirds majority vote on May 3, 2018.

[Signature]
Paul Lingenfelter, NC-SARA Chair
5/11/2018
Date
Recommendation

Paul Lingenfelter, Chair, will present the recommendation of the Executive Committee.

c) **ACTION:** Nomination of Board members to a three-year term – 2020 to 2023

NC-SARA Bylaws provide that “Except as provided for in Article II, Section 1, c, members of NC-SARA appointed after June 1, 2018, shall serve a maximum of two, three-year terms. The term of office for board members shall begin as stated upon their election to the board and end at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term. The terms of successor board members shall begin at that same time, or upon appointment if filling a mid-term vacancy.”

Recommendation

The Executive Committee nominates the following Board members to a three-year term from 2020 to 2023:

a. Chris Bustamante
b. Kathryn Dodge
c. Paul Lingenfelter
d. Pamela Quinn
e. Paul Shiffman
f. Peter Smith
g. Larry Tremblay
h. Leroy Wade

d) **ACTION:** Nominations for two-year terms to Executive Committee (returning members)

NC-SARA Bylaws provide that “the Exec Committee shall: Solicit nominations for NC-SARA officers, Executive Committee and Finance Committee members from the full Board, and recommend candidates to the Board for its consideration and election. Executive Committee members shall serve a two-year term, ending at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term. Executive Committee members shall have an option to serve an additional two-year term, with the approval of NC-SARA.” The current term for members of the Executive Committee ends at the conclusion of the fall 2019 NC-SARA meeting.

Recommendation

The Executive Committee nominates the following Executive Committee members to a two-year term from 2020 to 2021:
e) **ACTION:** Nominations of Regional Presidents to serve on the Executive Committee

NC-SARA **Bylaws** provide that “There shall be eight members of the Executive Committee, all of whom shall be currently serving NC-SARA members and two of whom shall be the president of a participating regional compact (Midwestern Higher Education Compact, New England Board of Higher Education, Southern Regional Education Board, Western Interstate Commission for Higher Education). The four regional compact presidents shall choose which two of their members shall serve on the Executive Committee, and those designated members shall serve on the Committee without term limits.” The four presidents have agreed to rotate service on the Committee and the two current presidents, Michael Thomas and Susan Heegaard made their recommendations to the Executive Committee.

**Recommendation**

The Executive Committee nominates the following Regional Presidents to serve on the Executive Committee:

- Susan Heegaard
- Stephen Pruitt

f) **ACTION:** Nominations of members of the Finance Committee

NC-SARA **Bylaws** provide that “Members of the Finance Committee shall be elected by NC-SARA and shall serve two-year terms. Finance Committee members shall have an option to serve an additional two-year term, with the approval of NC-SARA.”

**Recommendation**

The Executive Committee nominates the following Finance Committee members to a two-year term from 2020 to 2021:

- Kathryn Dodge (re-election)
- Leah Matthews (re-election)
- George Ross (election)

g) **ACTION:** Nominations of Officers

NC-SARA **Bylaws** provide that “NC-SARA shall have three officers: Chair, Vice Chair, and Treasurer. Officers shall serve a maximum of two, two-year terms, ending at the conclusion of the final NC-SARA meeting of the last calendar year of their specified term.” Paul Lingenfelter is stepping down as Chair, after serving for two three-year terms, leaving an opening.

**Recommendation**

The Executive Committee nominates the following slate of Officers:

- Chair: Teresa Lubbers
- Vice Chair: Ed Ray
c. Treasurer: Leroy Wade

h) **ACTION**: Nomination of Individuals to be elected to three-year terms to the NC-SARA Board, 2020 to 2022

NC-SARA *Bylaws* provide that “NC-SARA shall be made up of 17 to 23 individual National Council members.” Although the Board members are serving in staggered terms, given the current situation such that several founding Board members will be stepping down at one time, the Executive Committee decided to add two more Board members to the current slate of 20, bringing the total to 22.

The *Bylaws* also state that “[t]he Executive Committee of the Board shall consider nominees and recommend candidates to the Board for election. Prospective NC-SARA members may self-nominate or be nominated by others to serve. Council members shall be chosen from those nominated through a majority vote of the Council.” In addition, with respect to selection criteria, the *Bylaws* state that “Though the board shall represent a diverse set of perspectives and interests, membership shall not be driven by numerical representation or delegated interests. Instead, members shall be selected based on their knowledge of the field, ability to work across multiple perspectives, and commitment to the collaborative work and success of SARA and NC-SARA.”

**Recommendation**

The Executive Committee recommends the nomination of the following new Board members:

a. John Kavanaugh  
b. Arthur “Art” L. Coleman  
c. Laurie Dodge  
d. Robert “Rob” E. Anderson
NC-SARA AGENDA ITEM

Agenda Item IV: Finance Committee Report – Leroy Wade, Treasurer

Action Item:  ☑ Yes   ☐ No

a) Committee report
b) Review of institution fees
a) Finance Committee Report – Leroy Wade, Treasurer

NC-SARA ended the first quarter of FY 2020 in a strong financial position. Financial statements relating to the quarter will be distributed separately. Leroy Wade, Treasurer, will present the first-quarter report.

b) **ACTION**: Institutional fees for FY 2019 and FY 2020

**Background:**

Fees for an institution to participate in SARA potentially consist of two parts. The first is a required SARA fee paid to NC-SARA. This annual fee is based on an institution’s total full-time equivalent (FTE) enrollment as submitted to the federal Integrated Postsecondary Education Data System (IPEDS) each fall as 12-month FTE enrollment.

In addition, states have the option of charging SARA participant institutions a fee to cover the state’s costs in administering SARA. (*SARA Manual*, Section 3.4) Information about state fees can be found in the appendix.

Current NC-SARA fees (through June 30, 2020) are as follows: Enrolled FTE Annual Fee

- Under 2,500 ......................... $2,000
- 2,500-9,999 ........................ $4,000
- 10,000 or more .................... $6,000

Those fees have been in place since SARA states began enrolling institutions in early 2014. NC-SARA’s fees are reconsidered and approved by the NC-SARA Board every two years.

**Staff recommendation**: Continue NC-SARA institutional participation fees at the current level for the next two years (through June 30, 2020). It is important to note that some states mirror SARA fees for their own state authorization fees, and so any change would have a wider impact than just to SARA.
NC-SARA AGENDA ITEM

October 29–30, 2019

Agenda Item V: Modifications to the SARA Manual

Action Item: ☑ Yes ☐ No

a) Approve recommendation that states determine consequences for institutional failure to report enrollment data

b) Approve affirming state responsibility to make timely confirmation of federal financial composite scores to determine an institution’s eligibility to participate in SARA

c) Approve recommendation regarding an institution’s eligibility to participate in SARA following a change in ownership

d) Approve recommendation regarding aligning new Federal Regulation language with the SARA Manual language on the use of the word “located” versus “resides”

e) Approve adding statement to clarify the relationship between the Unified State Authorization Unified Agreement “Unified Agreement” and the SARA Manual to confirm the SARA Manual as current policy document.
Recommendation: Approve the proposed modification.

a) **ACTION:** Consequences for institutional failure to report enrollment data

**Background**

The *SARA Manual* is issued periodically by NC-SARA; the current version is Version 19.2, issued June 1, 2019. Successive versions incorporate policy changes made by the NC-SARA Board and clarifications provided by the staff of NC-SARA. The recommended modifications that follow will result in a new Version 19.3.

Each spring, institutions that participate in SARA are required to report two sets of enrollment data to NC-SARA: distance education enrollments, disaggregated by location (state, territory or district); and out-of-state learning placements disaggregated by two-digit CIP code and location. Those two requirements are in the *SARA Manual*, Section 6.1; institutional agreement to comply with them is part of the institutional application for participation in SARA, which must be signed by the applicant institution’s chief executive officer or chief academic officer.

**Alternatives Considered and Rationales**

1) **Do Nothing Scenario – Not Recommended**

   Because institutional compliance with these requirements has been very good, with 99.5% in compliance this past May 2019, and 99.3% in 2018, a “do nothing” scenario is not high risk. Moreover, most of the handful of institutions that did not report on time either had very legitimate reasons or were simply late. Yet not having any consequences for those who do not comply may have the effect of diminishing the importance of reporting for those who do comply.

2) **Impose an NC-SARA Consequence— Not Recommended**

   NC-SARA could impose a negative consequence for those institutions that do not comply or comply on time with the data reporting requirement. The positive outcome of this solution would be that there would be a consistent consequence for all those who are out of compliance. The negative consequence is that states would no longer have the leeway and leverage to work directly with institutions. States may understand the unique situations of a particular institution. For example, it may be that an institutional research staff member, who would normally have responsibility for data reporting suddenly suffered a serious health issue or left the organization, and that institution needs more time to comply.

3) **Home State Portal Entity Determination of Consequences – Recommended**

   Although currently compliance is high, staff are occasionally asked about the consequences for non-reporting. The *SARA Manual* is currently silent on this issue. As the number of participating institutions continues to rise, the sheer numbers will mean a greater likelihood of noncompliance. Consequently, the staff recommends the following modification which both offers a possible negative consequence for noncompliance by institutions and provides for sufficient leeway and professional judgment on the part of Home State Portal Entities to make a determination.
To address the potential lack of consistent consequences across states that might result from this new policy modification recommendation, Wanda Barker, Director, Education Technology and Multistate Cooperative Programs Southern Regional Education Board suggested that perhaps the regional compacts might work together to define consistent consequences by region.

Recommended new language is in red and underlined; language recommended for deletion is struck through.

**SARA Manual, Version 19.2**

6.1 Data submission by participating Institutions

a. Institutions participating in SARA shall annually report to NC-SARA the number of exclusively Distance Education students enrolled in the institution engaged in Distance Education, disaggregated by State, territory, or district in which the students are located, including the Home state. This would include both Degree and non-degree for-credit courses. For details see annual issues of the Data Reporting Handbook provided by NC-SARA.

b. These data shall be reported annually to NC-SARA in the spring following the due date for institutions to make their previous fall enrollment reports to the federal government’s Integrated Postsecondary Education Data System (IPEDS).

c. Beginning in spring, 2019, Institutions participating in SARA shall also annually report to NC-SARA the numbers of their students engaged in certain experiential learning placements (rotations, internships, student teaching, etc.), disaggregated by State and two-digit Classification of Instructional Programs (CIP) codes as assigned by the U.S. Department of Education. For details see annual issues of the data reporting handbook provided by NC-SARA.

d. Prior to such data submissions, NC-SARA will provide a Data Reporting Handbook and a Data Sharing Agreement to each SARA Institution.

e. Institutional failure to comply with these reporting requirements shall be taken into consideration by Home States when Institutions apply for renewal and may be grounds for placing an Institution on provisional status or disapproval of continued participation.

And also

3.2 Provisional admission or renewal of an Institution

a. A State, at its discretion, may approve an Institution applying for initial or renewal participation in SARA to participate on Provisional Status in any of the following circumstances:

1. The Institution is on provisional or probationary status or the equivalent with its institutional Accrediting Agency;
2. The Institution is currently required by the U.S. Department of Education to post a letter of credit or is under a cash management agreement with the U.S. Department of Education (Such institutions must still have a Federal Financial Responsibility Composite Score of 1.0 or above.);
3. The Institution has a Federal Financial Responsibility Composite Score between 1.0 and 1.5;
4. The Institution is the subject of a publicly announced investigation by a government agency, and the investigation is related to the institution’s academic quality, financial stability or student consumer protection; or
5. The Institution is the subject of a current investigation by its Home State related to the institution’s academic quality, financial stability or student consumer protection;
6. A third-party action such as a private lawsuit or news story does not by itself establish a government investigation. If such a third-party event results in an investigation by a government agency as set forth in subsections 3 and 4 above, these subsections become applicable. Lawsuits by government entities are considered to have resulted from a governmental investigation and can be the basis of a determination of Provisional Status.
7. Lack of compliance with SARA policies to items related to data reporting.
8. A SARA institution may become provisionally approved by the Home State Portal Entity as of the effective date of change of ownership until a new Federal Financial Responsibility Composite Score is established.

b. States shall notify their Regional Compact and NC-SARA of their admission or renewal of an Institution on Provisional Status. NC-SARA will provide indication of the institution’s Provisional Status on the NC-SARA website. The NC-SARA Institution Provisional Participation Form (AF3) should be completed and submitted to NC-SARA by the Home State Portal Entity. (See Appendix C).

c. An Institution admitted to or renewed for SARA participation on Provisional Status is subject to such additional oversight measures as the Home State considers necessary for purposes of ensuring SARA requirements are met regarding program quality, financial stability and consumer protection, including limits on its distance learning enrollments if deemed necessary and appropriate by the Home State. The Home State shall report to its regional SARA steering committee and NC-SARA at least once a year on the status of any Institution(s) admitted or renewed on Provisional Status.

d. An Institution admitted to or renewed for SARA participation on Provisional Status shall remain in that status for a period not to exceed one year unless all of the following are true:

1. a Home State or an external entity whose action has resulted in the Institution’s Provisional Status (see 3.2(a)) has not within the one-year period taken action to resolve the Institution’s status with that entity;
2. The SARA Portal Entity recommends extension;
3. the President of the relevant Regional Compact approves extension; and
4. to support comparable application of this policy across regions, the President of NC-SARA approves such action.

e. In no event shall such an extension of Provisional Status exceed one additional year.

f. In the event that its Home State determines that an Institution on SARA Provisional Status is no longer subject to any of the circumstances set forth in Section 3.2(a), its Home State shall remove the Institution’s designation of Provisional Status and shall notify the Regional Compact and NC-SARA. NC-SARA shall then remove that designation on NC-SARA’s online listing of SARA-participating Institutions.

g. If an Institution on SARA Provisional Status is found by its Home State to not meet the requirements of SARA, the Home State shall disallow any further enrollments under SARA, shall notify its Regional Compact and NC-SARA, and:
1. Remove the institution from SARA participation, or
2. Allow the institution a period of time not to exceed 12 months in which to come into compliance with SARA policies under state supervision. Only one such time period is allowed in any three-year period.

h. If an Institution on SARA Provisional Status is found by its Home State not to meet the requirements of SARA, the Home State shall allow any students enrolled in the Institution under SARA policies at the time of the finding of noncompliance a period of six months in which to conclude their work at the Institution under SARA provisions, irrespective of the Institution’s SARA status.

3.3. Provisional status of an institution between renewal periods

A State, at its discretion, may place an Institution on Provisional Status at any time if the Institution is subject to any conditions set forth in Section 3.2(a) or if the Institution’s Federal Financial Composite Score falls between 1.0 and 1.5. (An Institution with a score below 1.0 is not eligible for SARA participation.) An Institution placed on Provisional Status by its Home State shall remain in that status until its next renewal date, at which time the State will determine if the institution will be removed from SARA participation, renewed for Provisional SARA participation for no longer than one year, (unless conditions of Section 3.2(d) are met), or renewed without such Provisional designation.
Recommendation: Approve the proposed modification.

b) **ACTION:** Modifications to SARA’s use of federal financial responsibility composite scores in timely determination of institutional eligibility to participate in SARA

**Background**

Since its beginning in 2014, SARA has used federal financial responsibility composite scores issued by the U.S. Department of Education (ED) as a means to determine whether an institution is financially stable enough to participate in SARA. Those scores are broadly criticized, including by the United States Government Accounting Office which recommended in April 2019 that the ED take up the issue again soon. Some criticize the use of these scores given that the scores do not accurately assess an institution’s likelihood of financial problems severe enough to lead to institutional closure and should therefore be given less weight in determining SARA eligibility. They also disparage the calculations for being outdated and out of alignment with current common accounting practices. Others say that the scores themselves, and ED’s procedures for determining and publishing them, are too lenient, too late and do not provide enough warning of financial difficulties.

Despite these criticisms, SARA has relied on ED’s composite scores because they provide a uniform, national measure, assigned by ED to all non-public institutions that participate in federal Title IV student assistance programs. The composite score system relies on the full authorities of the federal government to investigate, audit and assign consequences as necessary. Those legal authorities go well beyond SARA’s authorities and capacities and it would not be in NC-SARA’s interest to replicate this function using a different method. This recommendation does not address the criticisms shared above. Instead, the recommended modifications concern how and when states use these scores to determine institutional eligibility to participate in SARA.

Two issues related to SARA’s use of composite scores have been the focus of recent attention:

1) When should SARA states act upon the composite scores published online by ED -- when published, or when an institution applies for renewal of its SARA participation?
2) If an institution does not participate in federal Title IV student assistance programs, and therefore has no composite score assigned by ED, which of ED’s two calculation methodologies (which differ by institutional type) should states require for the calculated score? Right now, all states use the same methodology for both for-profit and nonprofit institutions?

**Alternatives Considered and Rationales**

1) **Do Nothing Scenario – Not Recommended**

Currently NC-SARA staff review lists showing composite scores in the zone or failing ranges which make the institutions ineligible for continued participation in SARA. They then send messages out to alert compact staff and state portal agents. States are expected to work with institutions to determine next steps, without an agreed upon time frame. This alternative is not recommended because it leaves open the possibility that an institution may remain out of compliance for a lengthy period of time without moving to provisional status or being removed from eligibility to participate in SARA.
2) Consider a shorter or longer time frame for state portal entity action – Not Recommended

A 30-day time frame is too short to provide sufficient time for investigation and discussion with an institution, and to wait as long as 120 days poses a risk to the integrity and accountability of SARA to continue to permit institutions that are out of compliance as regular participants.

3) State portal entities monitor scores and take action within 90 days, applying the ED methodology by sector – Recommended

After discussion with the Regional Compact Directors about a possible 60-day time frame within which Institutions should be expected to comply, NC-SARA staff recommend 90 days. While it is difficult to ascertain how long a State Portal Entity might need to obtain a new official letter from a local ED office, showing a newly revised federal financial composite score, it was recommended that 90 days seemed reasonable and 120 days too long to wait to take action.

The first issue

NC-SARA staff recommend that action in regard to institutions with financial composite scores that no longer meet SARA requirements be taken as soon as possible; the additional policy language recommended below provides 90 days for states to act. If states wait to act on published scores until the institution’s SARA participation renewal is considered, such an institution could participate in SARA for as much as a year while failing to meet SARA’s financial requirements. State practice on this issue varies; the proposed new language would require uniform treatment across all SARA states.

The second issue

ED has two methodologies it uses to calculate financial composite scores: one for non-profit institutions and one for for-profit institutions. Both methods consider primary reserve ratio, equity ratio and net income ratio in determining the final composite score, but the factors to determine those ratios differ by sector. (In the case of for-profit schools, primary reserve and net income are weighted at 30% and equity at 40%, whereas nonprofit schools have primary reserve and equity weighted at 40% and net income at 20%.) NC-SARA staff recommend that if states need to calculate a “proxy” composite score for institutions that do not participate in federal Title IV student assistance programs in order to determine whether such an institution meets SARA’s financial requirements (see SARA Manual, Section 2.5,c, below), the state should apply the methodology that ED applies to that institution’s sector – nonprofit or for-profit.

Language to implement those recommendations follows. Recommended new language is in red and underlined; language recommended for deletion is struck through.

SARA Manual, Version 19.2

Section 2.5, Functional Responsibilities of SARA States
c. For private Institutions, the State accepts an institutional federal Financial Responsibility Composite Score of 1.5 as indicative of sufficient minimum financial stability to qualify for participation in SARA. The State may, at its discretion, accept a Composite Score between 1.0 and 1.5 as indicative of minimum financial stability to qualify for participation in SARA if the Institution, in the State’s opinion, has produced additional information demonstrating sufficient financial stability to justify the Institution’s participation in SARA. The State may not permit an Institution with a Composite Score below 1.0 to participate in SARA. For Institutions owned or controlled by another entity (i.e., a parent entity), the relevant Composite Score will be the Composite Score of the parent entity, in accord with current U.S. Department of Education (ED) practice. An Institution’s financial status must be evaluated using the most recent Composite Score provided in writing by the Department of Education, whether published online or provided in written form to the Institution by a responsible Department of Education official. SARA States are to monitor the U.S. Department of Education’s periodic publication of Composite Scores, review the scores assigned to the institutions they have approved to participate in SARA, determine whether those scores meet SARA requirements, and within 90 days of publication take appropriate action regarding the SARA participation of those institutions.

d. In the event that an Institution does not participate in federal Title IV financial aid programs and therefore has no ED-calculated Composite Score for Title IV purposes, the State must calculate, or have calculated by a certified, independent accountant acceptable to the State, a comparable score based on the Institution’s most recent audited financial statements and using the methodology prescribed by the U.S. Department of Education (see https://ifap.ed.gov/fsahandbook/attachments/1617FSAHbkActiveIndexMaster.pdf 2-74- 75). Alternately, the State may require Institutions lacking a Composite Score calculated by the U.S. Department of Education to provide such calculation either as a part of the Institution’s most recent audited financial statements or as separately calculated and certified by a certified, independent accountant acceptable to the State. The State will then use such calculated scores to determine whether the Institution meets SARA eligibility requirements regarding financial responsibility. In either case, the State is to use the Department-provided calculation methodology that matches the Institution’s sector, whether for-profit or non-profit.
Recommendation: Approve the proposed modifications.

c) ACTION: Modification to SARA’s use of federal financial responsibility composite scores in determining institutional eligibility to participate in SARA following a change in ownership

Background

NC-SARA has worked with the regional compacts and state portal entities to ensure consistency with the application of Federal Financial Composite Responsibility Scores for Title IV institutions and alternative calculations for non-Title IV institutions for changes in ownership. The number of ownership changes and related questions submitted to NC-SARA staff have increased in recent years making it more difficult to ensure consistency.

Alternatives Considered and Rationales

1) Do Nothing Scenario – Not Recommended
Should no changes take place, inefficient staff labor time at NC-SARA, the compacts and the states will likely continue, with inconsistencies in interpretation and application of policy.

2) Add language to promote consistency of practice – Recommended
NC-SARA staff recommend that a new section be added at Section 3.4 to ensure consistent responses among state portal entities, regional compacts and NC-SARA. The option for provisional status outlined in 3.4(a)(1) will require the addition of one sentence (7) to Section 3.2.

Language to implement the recommendation follows. Recommended language is in red and underlined.

3.4 SARA eligibility following Change of ownership:

a. A change of ownership will be determined by the home state.

1. A SARA participating institution will remain under SARA until the required approvals are completed by all agencies. The institution may become provisionally approved by the home state portal entity as of the effective date of change of ownership until a new Federal Financial Responsibility Composite Score is established. A new application for institutional approval may be required. This process will apply to all SARA participating institutions owned by a corporate parent.

   a. Title IV institutions
   Submit to the Home State a copy of the same day balance sheet showing the school’s financial position on the day the ownership changed, prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Government Auditing Standards (GAGAS) as required by ED to extend the Temporary Program Participation Agreement (PPA).

   b. Non-Title IV Institutions
   Submit to the Home State a same day balance sheet showing the school’s financial position on the day the ownership changed prepared in accordance with GAAP by an independent CPA.
2. Newly acquired institutions seeking SARA participation

   a. If the newly acquired institution has not participated in SARA, the institution will apply once it has its new Federal Financial Responsibility Composite Score. A non-Title IV institution shall follow the requirements outlined in the *SARA Manual* at section 2.5 (d).

Added language for 3.2:

3.2 Provisional admission or renewal of an Institution a. A State, at its discretion, may approve an Institution applying for initial or renewal participation in SARA to participate on Provisional Status in any of the following circumstances:

1. The Institution is on provisional or probationary status or the equivalent with its institutional Accrediting Agency;

2. The Institution is currently required by the U.S. Department of Education to post a letter of credit or is under a cash management agreement with the U.S. Department of Education (Such institutions must still have a Federal Financial Responsibility Composite Score of 1.0 or above.);

3. The Institution has a Federal Financial Responsibility Composite Score between 1.0 and 1.5;

4. The Institution is the subject of a publicly announced investigation by a government agency, and the investigation is related to the institution’s academic quality, financial stability or student consumer protection; or

5. The Institution is the subject of a current investigation by its Home State related to the institution’s academic quality, financial stability or student consumer protection;

6. A third-party action such as a private lawsuit or news story does not by itself establish a government investigation. If such a third-party event results in an investigation by a government agency as set forth in subsections 3 and 4 above, these subsections become applicable. Lawsuits by government entities are considered to have resulted from a governmental investigation and can be the basis of a determination of Provisional Status.

7. The institution has a change of ownership as determined by the home state.
**Recommendation:** Approve the proposed modifications.

d) **ACTION:** Approve recommendation regarding aligning new Federal Regulation language with the SARA Manual language on the use of the word “located” versus “resides.”

**Background**

The U.S. Department of Education (ED) anticipates publishing new federal requirements for state authorization of postsecondary institutions sometime before November 1, 2019. The effective date of those regulations will be July 1, 2020 or perhaps earlier. The new language will be issued following a negotiated rulemaking process earlier this year that, to wide surprise, ended with committee consensus on the rules under consideration. Given the agreed upon new rules language, such that institutions must report where their students are located versus where students reside, the following recommendation is made. (Alternatives that might have been considered are not included here, as SARA must align with the ED language.)

Language to implement the recommendation follows. Recommended language is in red and underlined.

5.2 Programs leading to Professional Licensure

SARA has no effect on State professional licensing requirements. Any Institution operating under SARA policies that offers courses or programs potentially leading to Professional Licensure or related to post-licensure educational activities must keep all students, applicants and potential students who have contacted the Institution about the course or program informed as to whether successful completion of such offerings would actually meet state licensing or post-licensing requirements. For purposes of SARA, this must be done in one of two ways:

a. The Institution may determine whether the course or program meets the educational requirements for Professional Licensure in the State where the applicant or student resides or located and provide that information in writing to the applicant or student. If, after making all reasonable efforts, the Institution is unable to determine whether the program meets the educational requirements for Professional Licensure, or
Recommendation: Approve the proposed modifications.

e) ACTION: Approve adding statement to clarify the relationship between the *Unified Agreement* and the *SARA Manual* to confirm the *SARA Manual* as current policy document

**Clarifying the relationship between the *Unified Agreement* and the *SARA Manual***

Paul E. Lingenfelter and Marshall A. Hill

In December, 2015 the NC-SARA Board endorsed the *Unified State Authorization Reciprocity Agreement (Unified Agreement)*. The *Unified Agreement* replaced four previous SARA documents created and adopted during 2013 by the country’s four regional education compacts: the Midwestern Higher Education Compact, the New England board of Higher Education, the Southern Regional Education Board, and the Western Interstate Commission for Higher Education. Each compact approved the *Unified Agreement*.

The *Unified Agreement* is the foundational document for the SARA initiative, establishing SARA as a nationwide endeavor. It outlines broad principles, provides a rationale for reciprocity as the basis for addressing state authorization of distance education challenges and outlines roles and responsibilities for the various partners involved in the work of SARA.

An enormous amount of work, conducted by NC-SARA staff, the Compacts’ staff, and State Portal Entities’ staff, by countless individuals, led to the combined, approved *Unified Agreement*. Such an accomplishment is unprecedented in these United States especially in the present day when partisan differences prevent many from being able to collaborate and take effective action. All those who worked with NC-SARA back in 2013, 2014, and 2015 to make this happen are to be commended and honored for their success because they were able to come together and produce this extraordinary achievement.

The *Unified Agreement* does not, however, reflect in detail the procedures, policy interpretations, and guidance to institutions, regional compacts, and states required for the operation of SARA.

As the SARA initiative has grown, the NC-SARA Board, in collaboration with the Regional Compacts, has found it necessary to develop, clarify or occasionally modify a few policies and establish procedures for operations. That work has been reflected in publications issued by NC-SARA: first, successive versions of *NC-SARA’s Policies and Standards*, and, since early 2017, successive versions of the *SARA Manual*, which replaced the *Policies and Standards*. Substantive policy changes to those documents have been reviewed by each Regional Compact and approved by the NC-SARA Board, with the support of all Regional Compact presidents. Consequently, the most current information on SARA policies and procedures resides in the *SARA Manual*.

**Alternatives Considered and Rationales**

1) **Do Nothing Scenario – Not Recommended**

As time goes on and the *SARA Manual* is modified to reflect needed changes as issues arise that cause the organization and its agreement to mature and address additional aspects of the work and processes, discrepancies between the *SARA Manual* and the...
Unified Agreement become more pronounced. These discrepancies leave states and institutions struggling with how to apply SARA policy. In one state for example, when the state tried to tell an institution that it was no longer compliant with SARA requirements, the state opted not to do so given that there are two official documents sharing conflicting information about whether the state discontinue participation in SARA. This situation erodes SARA’s credibility.

2) Revise the Unified Agreement – Not Recommended

To revise the Unified Agreement, which was an enormous undertaking to create initially, would be a lengthy and unwieldy process that would require considerable work and eventual approval by each of the Regional Compacts and their Steering Committees. It would also open fundamental principles of SARA to renegotiation. This is not advisable or efficient, and may prove ineffective.

3) Add clarifying language to the SARA Manual - Recommended

To clarify the relationship between the SARA Manual and the Unified Agreement, staff recommend including a clarifying statement.

Language to implement the recommendation follows. Recommended language is in red and underlined.

In the SARA Manual, on page 2:

The SARA Manual

In the course of preparing the first SARA Manual, the 2013-2015 Policies and Standards and the FAQs published through February 2016 were merged and updated and their physical layout was revised. The FAQs were retitled Explanatory Notes and placed in appropriate sections. Additional revisions and corrections through November 1, 2019, have been included in Version 19.3. The Unified Agreement is the foundational document for the SARA initiative, establishing SARA as a nationwide endeavor. It provides a rationale for reciprocity as the basis for addressing state authorization of distance education challenges and outlines the general roles and responsibilities of the various partners involved in the work of SARA. To implement the Unified Agreement, NC-SARA and the regional compacts developed NC-SARA’s Policies and Standards and its successor the SARA Manual, which specifies in greater detail the procedures, policy details, and guidance to institutions, regional compacts, and states required for the operation of SARA. The current version of the SARA Manual is the authoritative source of the policies and procedures employed to implement the Agreement.
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NC-SARA AGENDA ITEM

October 29–30, 2019

Agenda Item VI: Information items

Action Item: ☐ Yes ☑ No

a) Update on President’s 30-6-90 Day Plan
b) Enrollment and experiential learning placement reporting
c) Federal negotiated rulemaking
d) Update on website, student and institution support and searchable catalog of academic programs offered by SARA participating institutions
e) Staffing and staff activities

Staff meetings and presentations
May 2019 – October 2019

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<th>DATE</th>
<th>EVENT</th>
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<tr>
<td>Monthly</td>
<td>WICHE Cooperative for Educational Technologies State Authorization Network (WCET SAN) Open Forums</td>
</tr>
<tr>
<td>Monthly</td>
<td>WCET SAN Monthly Calls and Webinars</td>
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<tr>
<td>Monthly</td>
<td>Texas Out of State Activities Compliance Calls</td>
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<td>Monthly</td>
<td>NC-SARA Director Calls</td>
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<td>Monthly</td>
<td>NC-SARA Regional Compact Staff Calls</td>
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<td>May 8-9, 2019</td>
<td>NC-SARA Board Meeting</td>
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<td>May 20-22, 2019</td>
<td>United States Distance Learning Association (USDLA)</td>
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<td>June 5-6, 2019</td>
<td>SREB SARA Meeting</td>
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<td>June 18-19, 2019</td>
<td>Certification and Licensure Collective Convening – Council of State Governments</td>
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<td>June 28, 2019</td>
<td>SARA Higher Learning Partners-OCICU Meeting (Regis University)</td>
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<td>July 9, 2019</td>
<td>Florida Postsecondary Reciprocal Distance Education Coordinating Council Meeting</td>
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<td>July 9-10, 2019</td>
<td>Midwestern Higher Education Compact (MHEC) SARA Meeting</td>
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<td>August 6-9, 2019</td>
<td>State Higher Education Executive Officers Association (SHEEO) Policy Conference</td>
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<td>Western Interstate Commission for Higher Education (WICHE) SARA Meeting</td>
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<td>October 1-2, 2019</td>
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<td>October 28, 2019</td>
<td>NC-SARA President and Board Member Meeting with United States Department of Education Staff</td>
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NC-SARA AGENDA ITEMS

Agenda Item VII: Executive session

Action Item: ☑ Yes ☐ No

Agenda Item VIII: Questions, comments, reflections from Board members

Action Item: ☐ Yes ☑ No

Adjourn.
## Appendix A - State Fees (2019)

### State Fees for In-state Institutions as of September 24, 2019

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<td>Alabama</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
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<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
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<td>$6,000 for institutions with 10,000 or more FTE students</td>
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<td>Alaska</td>
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<td>Arizona</td>
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<td>$6,000/year for institutions with between 10,000 – 39,999 FTE student enrollments</td>
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<td>$18,000/year for institutions with 40,000 or more FTE student enrollments</td>
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<td>Colorado</td>
<td>$0</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Based on most recent IPEDS FTE, are as follows:</td>
</tr>
<tr>
<td></td>
<td>$3,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$9,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Delaware</td>
<td>$0</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>$3,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$9,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Florida</td>
<td>$1,500 for institutions with fewer than 2,500 students</td>
</tr>
<tr>
<td></td>
<td>$3,000 for institutions with between 2,500 and 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$4,500 for institutions with 10,000 or more students</td>
</tr>
<tr>
<td>Georgia</td>
<td>$1,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$1,500 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$2,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Hawai’i</td>
<td>$1,000 annually per institution application processed</td>
</tr>
<tr>
<td>Idaho</td>
<td>$1,500</td>
</tr>
<tr>
<td>Illinois</td>
<td>No fee for community colleges</td>
</tr>
<tr>
<td></td>
<td>$1,750/year for all the other institutions</td>
</tr>
<tr>
<td>Indiana</td>
<td>$0</td>
</tr>
<tr>
<td>Iowa</td>
<td>$2,000/year for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$4,000/year for institutions with between 2,500-9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000/year for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Kansas</td>
<td>$0</td>
</tr>
<tr>
<td>Kentucky</td>
<td>$3,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$5,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$7,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$1,500</td>
</tr>
<tr>
<td>Maine</td>
<td>$0</td>
</tr>
<tr>
<td>Maryland</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
</tbody>
</table>

**Iowa state fees are due annually on or before July 15**
<table>
<thead>
<tr>
<th>State</th>
<th>State Fee Established</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td></td>
<td>$3,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$9,000 for institutions with between 10,000 – 19,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$12,000 for institutions with 20,000 or more FTE students</td>
</tr>
<tr>
<td>Michigan</td>
<td>$2,000 initial application fee, and then an addition $2,000 annual fee; thus, the</td>
</tr>
<tr>
<td></td>
<td>first time a school applies, the total cost to a school will be $4,000, then</td>
</tr>
<tr>
<td></td>
<td>$2,000/year after that.</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$0</td>
</tr>
<tr>
<td>Mississippi</td>
<td>$500/year for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$1,000/year for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$1,500/year for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Missouri</td>
<td>$500</td>
</tr>
<tr>
<td>Montana</td>
<td>$0</td>
</tr>
<tr>
<td>Nebraska</td>
<td>$300</td>
</tr>
<tr>
<td>Nevada</td>
<td>$0</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>$2,500 for institutions with fewer than 2,500 out-of-state online headcount</td>
</tr>
<tr>
<td></td>
<td>$10,000 for institutions with between 2,500 – 10,000 out-of-state online headcount</td>
</tr>
<tr>
<td></td>
<td>$20,000 for institutions with between 10,001 – 20,000 out-of-state online headcount</td>
</tr>
<tr>
<td></td>
<td>$40,000 for institutions with 20,001 or more out-of-state online headcount</td>
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<tr>
<td>New Jersey</td>
<td>Pro-rata fee</td>
</tr>
<tr>
<td>New Mexico</td>
<td>$1,000 application fee</td>
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<tr>
<td>New York</td>
<td>$5,000 for institutions with fewer than 2,500 FTE students</td>
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<td>$7,000 for institutions with between 2,500 – 9,999 FTE students</td>
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<tr>
<td></td>
<td>$9,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>North Carolina</td>
<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>North Dakota</td>
<td>$0</td>
</tr>
<tr>
<td>Ohio</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
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<td></td>
<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
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<tr>
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<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$0</td>
</tr>
<tr>
<td>Oregon</td>
<td>$3,000/biennial for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
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<td>$5,000/biennial for institutions with between 2,500 – 9,999 FTE students</td>
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<tr>
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<td>$7,000/biennial for institutions with 10,000 or more FTE students</td>
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<tr>
<td>Pennsylvania</td>
<td>Distance Tuition Revenue Fee</td>
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<tr>
<td></td>
<td>$0—9,999 = $1,000</td>
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<tr>
<td></td>
<td>$10,000—99,999,999 = $2,000</td>
</tr>
<tr>
<td></td>
<td>$1,000,000—4,999,999 = $5,000</td>
</tr>
<tr>
<td></td>
<td>$5,000,000—9,999,999 = $10,000</td>
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<tr>
<td></td>
<td>$10,000,000—19,999,999 = $20,000</td>
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<tr>
<td></td>
<td>$20,000,000—29,999,999 = $30,000</td>
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<td>$30,000,000—39,999,999 = $40,000</td>
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<tr>
<td></td>
<td>$40,000,000—49,999,999 = $50,000</td>
</tr>
<tr>
<td>State</td>
<td>State Fee Established</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------</td>
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<tr>
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<td>$50,000,000 and over = $60,000</td>
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<tr>
<td>Puerto Rico</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
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<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
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<tr>
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<td>$6,000 for institutions with 10,000 or more FTE students</td>
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<tr>
<td>Rhode Island</td>
<td><strong>INITIAL FEES</strong></td>
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<tr>
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<td>$3,500 for institutions with fewer than 2,500 FTE students</td>
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<td></td>
<td>$6,000 for institutions with between 2,501 and 9,999 FTE students</td>
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<tr>
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<td>$8,500 for institutions with 10,000 or more FTE students</td>
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<tr>
<td></td>
<td><strong>RENEWAL FEES</strong></td>
</tr>
<tr>
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<td>$1,500 for institutions with fewer than 2,500 FTE students</td>
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<tr>
<td></td>
<td>$4,000 for institutions with between 2,501 and 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>South Carolina</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>South Dakota</td>
<td>$4,000</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Texas</td>
<td>$0</td>
</tr>
<tr>
<td>U.S. Virgin Islands</td>
<td>$0</td>
</tr>
<tr>
<td>Utah</td>
<td>$2,000 for institutions with fewer than 2,500 FTE students</td>
</tr>
<tr>
<td></td>
<td>$4,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$6,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Vermont</td>
<td>$0</td>
</tr>
<tr>
<td>Virginia</td>
<td>$1,000 for institutions with fewer than 2,500 FTE students</td>
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<td>$2,000 for institutions with between 2,500 – 9,999 FTE students</td>
</tr>
<tr>
<td></td>
<td>$3,000 for institutions with 10,000 or more FTE students</td>
</tr>
<tr>
<td>Washington</td>
<td>$1,250 &quot;expense recovery charge&quot;</td>
</tr>
<tr>
<td>West Virginia</td>
<td>$500</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>$0</td>
</tr>
<tr>
<td>Wyoming</td>
<td>$0</td>
</tr>
</tbody>
</table>

SARA does not mandate how states establish their in-state fee structures for SARA-related work. States may use any fee structure that is rationally related to the state's actual or projected workload.
Appendix B - SARA Charts and Figures (2019)

SARA Landscape as of September 2019
49 States plus Washington, D.C., Puerto Rico, and the U.S. Virgin Islands
Regional Compacts

- WICHE
- NEBHE
- MHEC
- SREB
- No Compact
- Not part of SARA

For purposes of NC-SARA membership:
- SD is affiliated with WICHE;
- NJ and NY are affiliated with NEBHE;
- DC, PA, PR and USVI are affiliated with SREB.
National Council for State Authorization Reciprocity Agreements (NC-SARA)
National Council Meeting ● Washington, D.C. ● October 29‒30, 2019

*Plus the District of Columbia, Puerto Rico, and the U.S. Virgin Islands

Number of SARA States

Number of SARA States Joined by Year

Number of SARA Institutions by Year

*Plus the District of Columbia, Puerto Rico, and the U.S. Virgin Islands
## Appendix C - State Actions Regarding SARA

### State Actions Regarding SARA

<table>
<thead>
<tr>
<th>United States and Territories (Regional Compact)</th>
<th>Legislation Introduced</th>
<th>Legislation Passed</th>
<th>Application to Regional Compact</th>
<th>Approved as SARA State</th>
<th>State Renewal Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Samoa</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alabama (SREB)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>01/01/2016</td>
<td>10/20/2017</td>
</tr>
<tr>
<td>Alaska (WICHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>05/13/2014</td>
<td>05/13/2018</td>
</tr>
<tr>
<td>Arizona (WICHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>11/11/2014</td>
<td>12/31/2018</td>
</tr>
<tr>
<td>Arkansas (SREB)</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>06/29/2015</td>
<td>06/12/2019</td>
</tr>
<tr>
<td>California (WICHE)</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colorado (WICHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>05/13/2014</td>
<td>05/13/2018</td>
</tr>
<tr>
<td>Connecticut (NEBHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>12/09/2016</td>
<td>12/09/2018</td>
</tr>
<tr>
<td>Delaware (SREB)</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>09/01/2016</td>
<td>06/06/2018</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>07/01/2016</td>
<td>11/06/2018</td>
</tr>
<tr>
<td>Florida (SREB)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>10/01/2017</td>
<td></td>
</tr>
<tr>
<td>Georgia (SREB)</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>12/01/2015</td>
<td>10/20/2017</td>
</tr>
<tr>
<td>Guam</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hawaii (WICHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>05/17/2016</td>
<td>05/17/2018</td>
</tr>
<tr>
<td>Idaho (WICHE)</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>05/13/2014</td>
<td>05/13/2018</td>
</tr>
<tr>
<td>Illinois (MHEC)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>07/31/2015</td>
<td>07/31/2019</td>
</tr>
<tr>
<td>Indiana (MHEC)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>02/21/2014</td>
<td>02/21/2018</td>
</tr>
<tr>
<td>Iowa (MHEC)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>06/01/2015</td>
<td>06/01/2019</td>
</tr>
<tr>
<td>Kansas (MHEC)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>11/16/2014</td>
<td>11/16/2018</td>
</tr>
<tr>
<td>Kentucky (SREB)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>11/02/2016</td>
<td>10/22/2018</td>
</tr>
<tr>
<td>Louisiana (SREB)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>10/17/2014</td>
<td>10/22/2018</td>
</tr>
<tr>
<td>Maine (NEBHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>11/09/2015</td>
<td>11/07/2017</td>
</tr>
<tr>
<td>Maryland (SREB)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>01/01/2016</td>
<td>10/20/2017</td>
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<tr>
<td>Massachusetts (NEBHE)</td>
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<td>Yes</td>
<td>Yes</td>
<td>06/07/2018</td>
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<tr>
<td>Michigan (MHEC)</td>
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<td>Yes</td>
<td>08/31/2015</td>
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<tr>
<td>Minnesota (MHEC)</td>
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<td>Yes</td>
<td>Yes</td>
<td>01/26/2015</td>
<td>01/26/2019</td>
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<tr>
<td>Mississippi (SREB)</td>
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<td>Yes</td>
<td>Yes</td>
<td>01/01/2016</td>
<td>11/16/2018</td>
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<td>Missouri (MHEC)</td>
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<td>Yes</td>
<td>Yes</td>
<td>11/16/2014</td>
<td>11/16/2018</td>
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<td>Montana (WICHE)</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>08/13/2014</td>
<td>07/20/2018</td>
</tr>
<tr>
<td>Nebraska (MHEC)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>08/09/2014</td>
<td>08/09/2018</td>
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<td>Yes</td>
<td>Yes</td>
<td>05/14/2014</td>
<td>05/14/2018</td>
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<tr>
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<td>Yes</td>
<td>Yes</td>
<td>12/15/2014</td>
<td>12/15/2018</td>
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<tr>
<td>New Jersey</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes</td>
<td>12/05/2016</td>
<td>12/05/2018</td>
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<tr>
<td>United States and Territories (Regional Compact)</td>
<td>Legislation Introduced</td>
<td>Legislation Passed</td>
<td>Application to Regional Compact</td>
<td>Approved as SARA State</td>
<td>State Renewal Date</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------------------------</td>
<td>-------------------</td>
<td>---------------------------------</td>
<td>------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>New Mexico (WICHE)</td>
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<td>Yes</td>
<td>Yes</td>
<td>05/12/2015</td>
<td>05/03/2019</td>
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<tr>
<td>New York</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>12/09/2016</td>
<td>12/09/2018</td>
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<tr>
<td>North Carolina (SREB)</td>
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<td>06/13/2016</td>
<td>06/06/2018</td>
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<td>Yes</td>
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<td>04/03/2014</td>
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<td>Ohio (MHEC)</td>
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<td>Yes</td>
<td>Yes</td>
<td>03/02/2015</td>
<td>03/03/2019</td>
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<td>Oklahoma (SREB)</td>
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<td>Yes</td>
<td>11/11/2014</td>
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<td>Pennsylvania</td>
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<td>Yes</td>
<td>Yes</td>
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<td>10/22/2018</td>
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<td>Puerto Rico</td>
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<tr>
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<td>11/07/2017</td>
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<td>Yes</td>
<td>07/01/2016</td>
<td>06/06/2018</td>
</tr>
<tr>
<td>South Dakota (WICHE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>11/11/2014</td>
<td>12/31/2018</td>
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<tr>
<td>Tennessee (SREB)</td>
<td>Yes</td>
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<td>06/12/2019</td>
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<tr>
<td>Texas (SREB)</td>
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<td>Yes</td>
<td>Yes</td>
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<td>10/20/2017</td>
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<td>Utah (WICHE)</td>
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<td>Yes</td>
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<tr>
<td>Vermont (NEBHE)</td>
<td>Yes</td>
<td>Yes</td>
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<td>04/18/2019</td>
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<td>Virgin Islands</td>
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<td>06/12/2019</td>
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<tr>
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<td>Yes</td>
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<td>10/22/2018</td>
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<tr>
<td>Washington (WICHE)</td>
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<td>10/22/2018</td>
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<tr>
<td>Wisconsin (MHEC)</td>
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<td>Yes</td>
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<td>08/12/2018</td>
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<tr>
<td>Wyoming (WICHE)</td>
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<td>Yes</td>
<td>05/12/2015</td>
<td>05/03/2019</td>
</tr>
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N/A: State has determined new legislation is not needed to enable participation in SARA
North Dakota and South Dakota are members of both MHEC and WICHE; chart indicates SARA affiliation.