

Recommendation for Adjusting SARA-Participating Institution Fees

November 13, 2023

The SARA Unified Agreement, Section 8.4, indicates that the NC-SARA institutional participation fee structure will be reviewed every two years. Earlier this year, the NC-SARA Board of Directors requested that the NC-SARA Finance Committee review the existing structure and make a recommendation to the board for future action. The Finance Committee completed its review and put forth a recommendation for a revised fee structure. After robust discussion at the Fall NC-SARA Board Meeting, the board decided to postpone a vote to increase fees until the February 8, 2024, board meeting. Additionally, the board asked NC-SARA staff to create a document with a brief overview of the current NC-SARA institutional participation fee structure; the proposed NC-SARA institutional participation fee structure and rationale for the proposed changes; and next steps for board action.

NC-SARA Institutional Participation Fee Structure: Rationale, Structure, and Savings

SARA was established to help states and institutions streamline authorization to provide distance education services to students within and across states while retaining strong consumer protections. This work includes but is not limited to authorizing institutions to provide distance education services across states; creating consistency in expectations around distance education authorization across states; ensuring student consumer protection for distance education offerings; and collecting and reporting data on distance education delivery and student complaints related to SARA.

There are costs associated with providing the services listed above, both for the administration of SARA in each member state as well as with the coordination of SARA nationally. NC-SARA institutional participation fees are assessed by the board every two years to ensure they cover these administrative costs. The annual NC-SARA participation fee for an institution is based on the institution's total full-time equivalent (FTE) enrollment.

The current NC-SARA institutional participation fee structure, in place since SARA's inception in 2014, is as follows:

Institutional FTE Enrollment	NC-SARA Annual Fee
Under 2,500	\$2,000
2,500-9,999	\$4,000
10,000 or more	\$6,000

Currently, 35 of the 52 SARA member states and territories charge an additional fee to cover in-state administrative costs. These fees vary by state. Thus, the total annual fee for SARA participation by institution size, inclusive of NC-SARA and state fees, currently ranges from approximately \$2,000 for small institutions to \$11,200 for larger institutions. These figures demonstrate remarkable cost savings for institutions compared to what they were paying before the inception of SARA and compared to institutions that do not currently participate in SARA.

Revised NC-SARA Institutional Participation Fee Structure: Proposal and Rationale

The revised fee structure proposed by the NC-SARA Finance Committee would retain the significant cost savings for all institutions, regardless of size. The new structure would implement small increases in institutional fees across all FTE enrollment tiers and would create a new tier of higher fees for the largest institutions served by SARA (those with an FTE enrollment at or above 30,000 students).

The proposed NC-SARA institutional participation fee structure is as follows:

Institutional FTE Enrollment	NC-SARA Annual Fee
Less than 2,500	\$2,200
2,500-9,999	\$4,400
10,00-29,999	\$6,600
30,000 or more	\$8,800

Beyond the general fee increase, the proposed structure would create a new category that captures the largest institutions served by SARA. Over the years, NC-SARA has found that institutions with enrollments at or above 30,000 FTE require significant additional administrative effort for distance education authorization, as these institutions are able to offer significantly more programs to more students in more states. The new fee category, representing only 3% of the 2,400 institutions currently benefiting from SARA participation, would allow NC-SARA to cover the additional cost of providing services to these large institutions.

It is important to note that the proposed fee structure change would be the first increase since SARA's inception in 2014. The consumer price index, a measure of inflation, has gone up 27% during that timeframe. In comparison, the revised fee structure would be a much more modest increase for all but the largest institutions.

Most of the funds would be used to deliver continued service and care to SARA members and SARA-participating institutions through the SARA Portal. In addition, the increase in funding would allow NC-SARA to create and offer several new services, including online communities for SARA member states, territories, and institutions to communicate easily with one another, share best practices, and collaborate; electronic forms and applications related to SARA participation; and institution access to the SARA Portal. State Portal Entity staff (SPEs) and leaders of SARA institutions have repeatedly asked NC-SARA staff for these services to aid in them in carrying out their work more efficiently and effectively. For example, having institution-specific data and reports in the SARA Portal would allow institutions to access information specific to their institution. The proposed fee structure would allow NC-SARA to develop, deliver, and maintain these new services for all SARA member states and territories and SARA-participating institutions.

Next Steps

The board has asked NC-SARA staff and regional compacts to share the proposed NC-SARA institutional participation fees adjustment with SPEs, RSC members, and institutions. This will be accomplished several ways:

- Notice of the February 8, 2024, vote of the board on adjusting the NC-SARA institutional participation fees was listed in the Board Action Summary Eblast sent to all SARA contacts on October 31, 2023.
- An eblast addressing the proposed fee structure increase and rationale was sent out on November 9, 2023, to all SARA-participating institutions and SPES.
- Information about a potential fee increase will be shared with all SPEs and RSC members via the SPE Newsletters, SPE website, and through upcoming RSC meetings from November 2023 through February 2024.
- Information about a potential fee increase will also be shared with institutions through various SARA State Meetings from November 2023 through February 2024.

- NC-SARA will host a webinar open to the public on November 29, 2023, that will cover NC-SARA Board Actions from the Fall 2023 Board Meeting, including the proposed NC-SARA institutional participation fees adjustment.
- An eblast addressing the proposed fee structure increase and rationale will be sent out in early January 2024, to all SARA-participating institutions and SPES.
- Collection and review of all emails coming to NC-SARA, regional compacts, and SPES from institutions regarding the proposed fees. This review will be shared with the board.

The board will vote on the proposed NC-SARA institutional participation fee structure at the February 8, 2024, meeting. If approved, the new fees would be effective July 1, 2024.