

NC-SARA May 2024 Board Meeting Materials for President Update

SARA Cost Savings Study

In 2020, NC-SARA contracted with the National Center for Higher Education Management Systems (NCHEMS) to conduct a study estimating cost savings that result for institutions that participate in State Authorization Reciprocity Agreements (SARA). The study was conducted using a methodology developed by MHEC, and expanded a previous study undertaken by NCHEMS on behalf of SREB. At the conclusion of the study, NC-SARA posted a full report on their website, as well as a cost savings calculator that allowed institutions to estimate their own institutional return on investment for SARA participation.

The study was very well received, and the cost savings estimates have been used frequently by regional compacts, states, and institutions. However, stakeholders have recently encouraged NC-SARA to again contract with NCHEMS to update the study using refined methodology and current data. Among the suggestions for a refined methodology is a more nuanced analysis of when and how an institution might incur costs in other states (for example, identifying states where no authorization is required for exclusively distance education delivery). In addition, the number of SARA-participating institutions and exclusively distance education enrollments have grown significantly since 2020 and the updated study would incorporate the most recent SARA data collected by NC-SARA.

The estimated cost to contract with NCHEMS to conduct the updated study is \$125,000.