IN THE FIELD:
NC-SARA'S INSTITUTION CONFERENCE

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NC SARA

SARA Short: Cost Savings Study & Calculator

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NC SARA

National Council for State Authorization Reciprocity Agreements

MHEC • NEBHE • SREB • WICHE

History of the Project & Methodology

PROJECT GOAL
To gain insight to the cost savings associated with SARA participation.

History

- Similar, smaller-scale study conducted in 2018 for SREB based on earlier MHEC work
- Results demonstrated notable savings & simplification across the board

Process

1. Surveyed a representative cross-section of institutions across compacts, sector, and size
2. Computed what their costs would be for offering their current program and student enrollment both with and without the benefit of NC-SARA participation.

Findings - Responses

- 179 responses
- Representative response rate

Sample & Participation by Compact

Participation			
MHEC	NEBHE	SREB	WICHE
580 (29%)	270 (14%)	885 (45%)	249 (13%)

Sample			
MHEC	NEBHE	SREB	WICHE
174 (29%)	82 (14%)	267 (45%)	75 (13%)

Responses by Compact

	MHEC	NEBHE	SREB	WICHE	Total
Total Responses	54	30	84	11	179
% of Responses w/in Compact	30%	37%	31%	15%	
% of Total Responses	30%	17%	47%	6%	100%

Responses by Size

	% of Responses	MHEC	NEBHE	SREB	WICHE	Total
Small	51%	30	12	46	3	91
Medium	35%	19	11	27	5	62
Large	15%	5	7	11	3	26
Grand Total	**100%**	**54**	**30**	**84**	**11**	**179**

Responses by Sector

		MHEC	NEBHE	SREB	WICHE	Total
Private, For-Profit	6%	1	3	5	2	11
Private, Not-For-Profit	47%	33	14	34	4	85
Public Associates, Other & <2-Year	26%	14	5	25	3	47
Public Masters, Bach. & Other 4-Year	11%	3	5	11		19
Public Research	9%	3	3	9	2	17
Grand Total	**100%**	**54**	**30**	**84**	**11**	**179**

Note: 67 respondents accepted the request to be contacted for further information (Question 5).

Findings – Calculating Costs

- NC-SARA and SARA fees based on size and state
- Non-SARA fees based on enrollment, size, and programs
  - Did not include additional fees such as surety bonds, change fees, agent fees, site evaluation, etc.
  - Did not include staff time or other institution resources
  - Conservative estimate based on fees charged, but may be overestimating based on enrollment – if states had to pay individual state fees, they may not have enrolled students in a given state
  - Assumed if a student was enrolled, authorization was required (because other physical presence was triggered or regulations require it)

Example Cost Calculation

Institution A

- Medium sized
- 6 online programs
- Serves 18 out-of-state students from 4 SARA member states

COST CALCULATION FOR INSTITUTION A

- NC-SARA and SARA State costs: $4,000 + $7,000
- Non-SARA costs:
  - State 1: $10,000 initial + $2,000 per program ($22,000), $4,000 renewal
  - State 2: No charge
  - State 3: $30,000 Initial, $1,000 renewal
  - State 4: No charge
- Total SARA costs: $11,000 / $11,000
- Total Non-SARA costs: $52,000 / $5,000

Results

Characteristics of survey respondents included in analysis:

					Range of Initial Costs		Range of Renewal Costs	
Size	N	Average Number of Programs	Average OOS Enroll-ments	Average Number of SARA States Served	Minimum	Maximum	Minimum	Maximum
Small	86	11	99	17	$0	$804,110	$0	$246,975
Medium	61	18	333	24	$0	$850,575	$0	$259,880
Large	24	52	7,704	34	$14,500	$2,180,055	$13,000	$402,255
Total	171							

Results (continued)

Cost multiplier calculations:

Size	N	Avg. TOTAL Initial Costs	Avg. TOTAL Renewal Costs	Avg. TOTAL SARA Initial Costs	Avg. TOTAL SARA Renewal Costs	Initial Multiplier	Renewal Multiplier
Small	86	$114,845	$44,753	$3,351	$3,258	34.3	13.7
Medium	61	$220,262	$80,865	$6,743	$6,611	32.7	12.2
Large	24	$588,073	$170,973	$11,221	$11,033	52.4	15.5
Total	171	$218,868	$75,350	$5,665	$5,546	38.6	13.6

Estimated savings:

Region	Estimated Costs	State & NC SARA Costs	SARA Affiliation Fee	Estimated Savings
Total NC-SARA Initial Savings	$413,291,980	$10,733,450	$210,000	**$402,348,530**
Total NC-SARA Renewal Savings	$143,976,087	$10,606,450	$210,000	**$133,159,637**

SARA Cost Savings Calculator

Possible Uses

1. Estimate the costs associated with state authorization, both for SARA and non-SARA participants.

2. Project changes to costs based on the addition of new distance education programs or expansion of existing programs.

3. Evaluate the cost savings and the return on investment of SARA participation.

Calculator available at
https://nc-sara.org/sara-cost-savings

SARA Cost Savings Calculator

Summary

Here are the parameters you entered into the calculator:

State or Territory: Alabama
Enrollment Size: Small
Out-of-State Students: 11-40
Other States: 11-30
Distance Education Programs: 5
Community College: No

Results

Based on these parameters, the institution's cost savings estimate as a result of participating in SARA is:

Estimated Total Cost Savings of SARA Participation

Initial Costs	$73,618
Annual Renewal Costs	$36,353

FRANKLIN UNIVERSITY

- Downtown Columbus, Ohio
- 4-year, private, not-for-profit
- Total enrollment of 6,000+ students
- 70% of the student population over the age of 25
- Primarily offer online programs at the undergraduate, graduate and doctoral levels

The Dollars and Sense of Participating in SARA

- Value
- Time savings
- ⬆ Opportunities for students and institutions

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