



National Council for State Authorization Reciprocity Agreements

A voluntary, regional approach to state oversight of distance education

Minutes NC-SARA Board Meeting December 2, 2014

Renaissance Concourse Atlanta Airport Hotel – Da Vinci Room
One Hartsfield Center Parkway
Atlanta, GA 30354

NOTICE OF MEETING

Notice of the time and place of the NC-SARA board meeting was given to board members, regional directors, Lumina Foundation, Gates Foundation, and other interested parties.

An agenda is maintained in the NC-SARA offices at 3005 Center Green Drive, Suite 130, Boulder, CO 80301 and online at <http://nc-sara.org>

Call to order and introductions

Chair Paul Lingenfelter called the meeting to order at 8:54 a.m. (EST)

Members in attendance:

Barbara Ballard
Chris Bustamante
Kathryn Dodge
Dianne Harrison
Larry Isaak
Arthur Kirk, Jr.
Paul Lingenfelter *
David Longanecker
Teresa Lubbers
M. Peter McPherson
Patricia O'Brien
Pamela Quinn
George Ross
Paul Shiffman
David Spence
Helena Stangle
Michael Thomas
Leroy Wade
Belle Wheelan

Members not in attendance:

Crady deGolian
Terry Hartle

Council staff in attendance:

Lisa Greco
Marshall Hill
Michelle Perez-Robles

Regional Compact SARA Directors in attendance:

Sandy Doran, NEBHE
Mary Larson, SREB
John Lopez, WICHE
Jennifer Parks, MHEC

Gates Foundation staff in attendance:

Travis Reindl

Guests in attendance:

Steve Clark, Liberty University

Action Item I

Approval of the Minutes of the May 14, 2014 NC-SARA Board Meeting

Paul Lingenfelter, Chair, asked for a motion to approve the May 14, 2014, NC-SARA Board Meeting Minutes. Dianne Harrison made a motion to approve. Belle Wheelan seconded the motion. The minutes were approved unanimously by all present.

Action Item II

Update on progress of the SARA initiative
Executive director and regional compact director reports

Marshall Hill, NC-SARA executive director, provided an overview on the number of states and institutions that have joined SARA, institutional payments received, and the types of questions received from states and institutions regarding SARA. Alan Contreras provided several additional examples of questions NC-SARA staff receive.

Larry Isaak, MHEC president, updated the board on the progress of SARA in the Midwest. The MHEC region is on pace for several more states to join in 2015. A detailed report was included in the agenda materials and is on file with the NC-SARA office.

David Longanecker, WICHE president, updated the board on progress in the western region. Longanecker noted that good working relationships between western states and higher education institutions, as well as unified higher education governance structures in several western states, made it possible for W-SARA states to join SARA early in the process. A detailed report was included with the agenda materials and is on file with the NC-SARA office.

Sandy Doran, SARA director for NEBHE, updated the board on the progress of SARA in the Northeast. Doran noted that funding issues in the NEBHE region have created obstacles for many states, but that N-SARA now is identifying broader opportunities to work directly with institutions. A detailed report was included in the agenda materials and is on file with the NC-SARA office.

Mary Larson, SARA director for SREB, updated the board on progress in the SREB region. Larson reported that institutions in SREB states will have to move from their current reciprocity scheme – SECRRRA (SREB’s Electronic Campus Regional Reciprocity Agreement) to SARA. Until that process is complete, SREB states and institutions may participate in both SECRRRA and SARA. When a majority of SREB states have joined SARA, SREB will begin to phase out SECRRRA. A detailed report was included in the agenda materials and is on file with the NC-SARA office.

Action Item III

Finance report

Larry Isaak, Treasurer, provided the finance report to the board, noting that SARA is about a \$ 2-2.5 million per year initiative. He summarized the details in the financial report, including current fiscal year revenues of \$720,000 in funding from Lumina Foundation, \$200,000 from the Bill and Melinda Gates Foundation, and institutional fees collected to date in the amount of approximately \$300,000. Isaak asked for a motion to approve the financial report. Pam Quinn made and Belle Wheelan seconded the motion. The motion passed with all members present voting “yes.”

Action Item IV

Methodology for allocating fee revenue paid by SARA institutions

Hill began the discussion by explaining the rationale behind the proposed fee revenue allocation model, noting that the regional compact presidents all support it. He pointed out that while SARA must collect sufficient revenue to support itself, it is necessary to ensure that SARA is not perceived negatively by collecting excess revenue. To identify the amount of funding needed to support the SARA initiative, the proposed model calls for NC-SARA to conduct a cost study. Results of that study will be available by December 1, 2015; those results can inform both the next iteration of the allocation model as well as the reconsideration of the amounts charged institutions that participate in SARA.

The proposed allocation model builds on the funding background of the original Lumina Foundation and Bill and Melinda Gates Foundations grants. Institutional fees will be collected by NC-SARA and distributed quarterly to the five SARA entities (the four regional compacts and NC-SARA) in the proportions identified in those grants. Those percentages are: MHEC—16%, NEBHE—15%, SREB—16%, WICHE—17% and NC-SARA—36%.

If revenue allows, SARA will by fiscal year 2017 or earlier begin to set aside 10% of collected fees to establish a reserve fund for operational/strategic objectives. At that same time, each regional compact will begin to receive 10% of the fees paid by the institutions within its region. Details of the allocation model are provided in the agenda materials. NC-SARA will review the allocation model every two years, with the next review coming in the spring of 2016.

The first allocation of fee revenue will be disbursed to the regional compacts and NC-SARA within the first 10 business days of January 2015. After extensive discussion by the board, Larry Isaak moved to approve the fee allocation methodology. Michael Thomas seconded the motion. The motion was passed with all members present voting “yes.”

Action Item V

Additions and modifications to NC-SARA Policies and Standards

Hill opened the discussion with a summary of the proposed modifications to the NC-SARA policies and standards, noting that two of the policies on the agenda are continued from the May 2014 board meeting: data collection and the reporting of appealed complaints. Lingenfelter asked for a motion to approve the items in Action Item V. Kathryn Dodge moved to approve the items and Dianne Harrison seconded the

motion. The board then discussed each item individually. The motion was approved by all members present voting “yes.”

Item V (a): Policy on data to be submitted by SARA institutions (modification)

Responding to the board’s request for NC-SARA to work with a group of experts that would provide guidance and feedback on data collection and complaint resolution, an advisory committee was assembled and met in September 2014.

The advisory committee specifically addressed how SARA institutions will report the numbers of students they enroll via distance education in states other than their own, as well as how SARA would report that data. The committee recommended that SARA shift from asking institutions to report FTE enrollments to having them report 12-month unduplicated headcount.

Hill discussed progress on the search tool originally discussed at the May meeting (a tool that would allow students to search for a particular academic program offered by SARA institutions), stating that while the concept is simple and straight-forward, it is debatable whether the work to gather that information is an efficient use of time and effort. The advisory committee suggested instead that institutions provide SARA with a direct link to their web page indicating which distance education programs they offer.

Lastly, the committee recommended the national office report aggregated data for total enrollment and eventually disaggregate enrollment data into broad academic program areas, based on a two-digit CIP code. Hill will seek legal and other advice in developing a data sharing agreement and will share the results with the board at the next board meeting.

Item V(b). Policy on reporting of complaints (modification)

Hill stated this item addresses the expectations for the state portal agency (SPA) to report the number of appealed complaints they have received regarding SARA institutions. He explained that this data will be reported to NC-SARA quarterly by the SARA portal agencies; quarterly reporting will allow early identification of institutions (if any) against which numerous complaints are made. He reminded the board that these complaints must have already gone through the full institutional complaint resolution process. After a lengthy discussion, the board moved on to the next agenda item with no further questions.

Item V(c): Clarification of “legal domicile” (new)

Alan Contreras provided a summary to the board explaining that this topic required further clarification which is being presented to the board for approval. Contreras asked

the board for feedback on the wording or clarity of the definition. The board had no further comment or questions.

V (d): Probationary status for some institutions (new)

Hill provided background information on what prompted this new policy. He said that a number of inquiries from states have come to NC-SARA staff regarding how states can deal with institutions they know to be problematic, but who nevertheless meet the requirements for membership in SARA. The proposed policy has been developed in response to those questions. It allows states to admit institutions on a probationary status. An institution's probationary status would be indicated on the NC-SARA website with an asterisk; a link to the probationary status policy would provide particular information about probationary status.

Much discussion followed. Several modifications to the proposed policy were discussed and adopted by straw vote. The staff was directed to make the agreed upon modifications to the language in this policy and re-submit it to the executive committee and full board via email prior to the Christmas break. The following modifications were agreed upon: the addition of "any of" to the second line in paragraph one; replace six months with twelve months in number 3 and replace six months with twelve months in 5b. Lingenfelter asked for a motion for a straw vote on this action item: Wheelan moved to approve re-drafting the policy and Thomas seconded the motion. The motion was approved by all members present voting "yes."

V (e): Clinical placements (modification)

Hill introduced this action item, stating that the principal differences in the new version of this policy are that SARA originally prohibited multi-year clinical placements, based on regulator concerns. Hill asked Contreras to speak more in depth about this policy modification.

Contreras assembled an advisory group to review this policy, as well as informally sought legal input. Contreras provided in-depth analysis, identifying complicated areas about the policy and described how the clinical placement group reached their decisions. During the review of the policy, it was learned the industry norm is to have multi-year contracts in place, therefore the group recommends modification of the policy to reflect this fact.

The board discussed the policy at length, making several revision suggestions. Wheelan moved to approve the following amendment to section C (1)-- Cannot exceed ten students "from each program" placed simultaneously at one clinical or practicum site

“without the approval of the host state portal agency.” Dodge seconded the motion. With this modification, the motion was approved with all members present voting “yes.”

V (f): Recruiting

Hill explained that this policy modification is recommended to bring NC-SARA’s *Policies and Standards* document into conformance with the regional SARA agreements.

Isaak moved to approve items V (a-f), including the agreed-upon mechanism of reviewing modifications to item V (d) and the proposed modifications to item V (e). After additional discussion, Shiffman moved to approve. The motion was approved by all present voting “yes.”

Information items

501(c) 3

Hill stated he will complete the 501(c) 3 questionnaire and EducationCounsel, LLC will prepare and submit to the Internal Revenue Service NC-SARA’s application for non-profit status. The timeline for obtaining approval is approximately 4-6 months. Funding for pursuing non-profit status has been budgeted and has been previously approved.

Next meeting dates

NC-SARA staff will contact board members regarding dates and times for the 2015 meetings.

The meeting concluded at: 1:27pm