



National Council for State Authorization Reciprocity Agreements

A voluntary, regional approach to state oversight of distance education

Minutes

NC-SARA Board Meeting

December 1, 2015

Denver Airport Marriott, Denver, Colorado

NOTICE OF MEETING

Notice of the time and place of the NC-SARA board meeting was given to board members, regional SARA directors, Lumina Foundation, Bill and Melinda 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

Council Members in attendance:

Barbara Ballard
Chris Bustamante
Terry Hartle
Larry Isaak
David Longanecker
Teresa Lubbers
M. Peter McPherson
Pamela Quinn
George Ross
Paul Shiffman
Helena Stangle
Michael Thomas
Leroy Wade
Belle Wheelan

Council Members not in attendance:

Kathryn Dodge
Dianne Harrison
Arthur Kirk, Jr.
Paul Lingenfelter*
Patricia O'Brien*
David Spence

**Joined via conference call*

NC-SARA staff in attendance:

Alan Contreras
Marshall Hill
Holly Martinez
Jennifer Shanika

Regional Compact SARA Directors

and Staff in attendance:

Kris Biesinger, SREB-SARA
Kiley Danchise-Curtis, NEBHE-SARA
Sandra Doran, NEBHE-SARA
Emily Jacobson – MHEC-SARA
Mary Larson, SREB-SARA
John Lopez, WICHE-SARA
Jennifer Parks, MHEC-SARA

Guests:

Michael Abbiatti – Vice President for Educational Technologies, WICHE / Executive Director, WCET
Sharmila Basu Mann – Senior Policy Analyst, SHEEO
Marianne Boeke – Senior Research Associate, NCHEMS
Cheryl Dowd – State Authorization Network Project Director, WCET
Jim Hall – Chancellor Emeritus Antioch University System and Consultant to the Presidents' Forum
Russell Poulin – Director, Policy and Analysis, WCET

Welcome and Introductions

M. Peter McPherson welcomed the Council members and others at 8:45 a.m. (MST). The Council members introduced themselves. Approximately 30 representatives of SARA states attended parts of the meeting.

I: Approval of Minutes

The minutes of the May 7, 2015 board meeting were reviewed by the Council. Terry Hartle moved to approve the minutes; Belle Wheelan seconded the motion. The motion passed with all members present voting “yes”.

II: Update on the progress of the SARA initiative

Marshall A. Hill, NC-SARA, reported that there has been great progress and activity in all states and noted the lack of significant objection to the SARA initiative. He said that the southern states were moving a bit slower due to the complications of having SARA replace the existing regional reciprocity agreement already in place. Nevertheless, six southern states joined this fall.

Larry Isaak, Midwestern Higher Education Compact, stated that ten of the eleven MHEC states are now members of SARA. The only remaining non-SARA MHEC state, Wisconsin, will have SARA enabling legislation in the coming session. Isaak also commented on the value and contributions of the MHEC regional Steering Committee.

Michael Thomas, New England Board of Higher Education, was pleased to announce the advancement of SARA in the Northeast and provided a detailed update on individual states.

Mary Larson, acting for David Spence, Southern Regional Education Board, reported that there are now eleven SARA states in the SREB region, with four still outstanding. Three non-affiliated states, districts and territories (PA, DC and PR) will be affiliating with SREB for the purpose of participating in SARA. Larson also mentioned the activity and positive contributions of their Steering Committee.

David Longanecker, Western Interstate Commission for Higher Education, noted that all but three states in the WICHE region have joined SARA. Hawaii has submitted its application and Utah is expected to join shortly as well. Varying factors in California are delaying; the current statute is lacking and additional legislation is needed. Opposition from a student consumer protection organization, and the absence of a coordinating board/ central agency, has hampered progress. In response to a question raised by Belle Wheelan, David elaborated on the California legislative issues that are present. Marshall Hill mentioned that he believes California will be a SARA state in two years, as the institutions are really pushing hard.

III: Finance report – Larry Isaak, Treasurer

Larry Isaak reported that NC-SARA is in good shape financially, as revenues are flowing according to plan. The organization is now fully operating on fee revenue, with no reliance on grant funds. The organization had higher than expected IT and software costs, and as a result WICHE has helped out with temporary cash flow issues. NC-SARA is expected to meet revenue projections. As of December 31st, 2015, the organization completes all of its grants; all grantors are very pleased with the success of SARA.

Motion to approve the finance report was made by Terry Hartle. George Ross seconded. The motion passed unanimously.

IV: SARA Fall Report – Marshall A. Hill

Marshall Hill provided a high level overview of the activity of SARA and introduced the fall report, which provides transparency for the SARA initiative.

Leroy Wade asked whether complaint reporting will be a part of the fall report in the future. Hill responded that it would, and stated that the proper handling of complaints is an important component of what we do. Additionally, there will also be an annual report provided.

Terry Hartle inquired about how SARA identifies institutions that are “in trouble.” Hill responded that NC-SARA has several ways of doing that, including the application and renewal process, and requiring institutions to notify their state portal agency if they are under investigation or have a change in their accreditation status or their financial responsibility index score falls below the required level. Mechanisms mostly rely on self-reporting, as NC-SARA does not intend to become a policing agency. Per M. Peter McPherson, there is no vote needed for the Fall report.

V: Set SARA fees for institutions for FY 2017- FY 2019

After a brief overview by Marshall Hill, a motion to retain the current SARA institutional fee schedule was made by Belle Wheelan and seconded by Paul Shiffman. The Council unanimously approved.

VI: Endorsement of the *Unified State Authorization Reciprocity Agreement*

Marshall Hill provided a brief history of the original four agreements and stated that the regional compacts all have now approved a single, unified agreement. This move eliminates confusion and help solidifies the notion that the four regions can successfully work together. This agreement makes no policy changes nor does it change the relationships between compacts and NC-SARA; rather, it helps everyone work better together. At Alan Contreras’ suggestion, the staff is recommending that the Unified Agreement be dedicated to the memory of Bruce Chaloux, who worked very hard to establish many of the principles underlying SARA. A brief discussion was had on the benefits and importance of the document.

Action Item: David Longanecker asked to change the text in Section 9, page 34 from “in consultation with” to “in concert with”.

Larry Isaak moved to approve the endorsement of the Unified State Authorization Reciprocity Agreement, including the change requested by Longanecker. Belle Wheelan seconded. The motion was adopted unanimously.

VII: New initiatives

a) Student-searchable database of programs offered online by SARA institutions

Marshall Hill led a discussion on the potential opportunity of expanding the existing SREB Electronic Campus to a national level, as a NC-SARA initiative hosted by SREB, as suggested by Mary Larson. He would like to seek grant funding to support this for two years, after which it would be supported by normal SARA revenue. We hope to build on and modify the database structure already in place at SREB to keep costs low. The goal is to create a searchable database of programs offered online by SARA institutions. Currently, Hill plans to seek grant funding of \$500,000 for each of two years. With approval from the board, Hill would like to continue to look into this opportunity and return with a full plan.

Paul Shiffman moved that Marshall Hill be given full approval to continue research and develop a formal plan. Leroy Wade seconded. All approved unanimously.

VIII: Additions and modifications to NC-SARA Policies and Standards

a) Modifications to physical presence provisions

Marshall Hill briefly addressed concerns we often hear about this topic and how these modifications address them.

b) Provisional renewal for institutions

Marshall Hill informed the Council that this addition is in response to a couple of states where there are institutions that technically meet SARA qualifications but about which state portal entity staff have some level of concern. Issues cited was an institution being placed on heightened cash management by the U.S. Department of Education, having accreditation status changes, or being the focus of some investigation. The original provisional approval was passed by the board previously, but the idea of provisional renewal was not addressed until now.

Belle Wheelan moved to approve Action Item VIII. Terry Hartle seconded and the motion was unanimously passed.

IX: Additions and modifications to NC-SARA Bylaws

Marshall Hill noted the changes proposed for the Bylaws and mentioned a few items recommended by the Executive Committee. They recommend that the Treasurer's office should not be held by a regional compact president, due to the fact that the compacts receive a significant portion of SARA revenue. The Committee also recommends creation of a Finance Committee.

Discussion ensued. George Ross noted that he believes it is best practice to keep finance and audits separate. M. Peter McPherson suggested that we have the executive committee responsible for the hiring of external auditors, rather than the finance committee. Hill agreed that we can make that change.

Motion to approve called by Terry Hartle and seconded by Paul Shiffman. Motion passed with unanimous approval.

Michael Thomas opened a discussion on formalizing a process on how SARA considers requests for changes to SARA policy. He made a motion to create a NC-SARA Policy Review Committee and make related changes to the language of Section 8 of the NC-SARA Policies and Standards. After extended discussion, and the failure of passage of Thomas' motion, it was agreed that, working with Michael Thomas, Marshall Hill will redraft Section 8 in the *Policies and Standards* to clarify this process and charge the executive committee, in the Bylaws, to take a forward view to any needed changes.

Action Item: Marshall Hill will redraft Section 8 in the *Bylaws* and circulate it to the group for review. He will include how it will be communicated to the field.

X: Election of council members and officers

Marshall Hill informed the Council that Paul Lingenfelter asked the Executive Committee to serve as a nominating committee for this cycle of appointments. Hill reported that all NC-SARA members with expiring terms have agreed to serve another term. The Executive Committee nominates Leah Matthews for a three-year term as a new NC-SARA member. They also nominate Paul Lingenfelter for another two-year term as chair, M. Peter McPherson for another two-year term as vice chair, and Teresa Lubbers for a two-year term as treasurer.

All present voted to approve the nominations.

Information Items:

a) 501(c) (3) status for NC-SARA

Marshall Hill reported that NC-SARA has obtained 501(c)(3) status with the federal government.

b) Quarterly reporting of appealed complaints

Marshall Hill stated there have been no reports of complaints appealed to state SARA portal entities this quarter.

c) Status of current year work

Marshall Hill provided a status report of current work, as included in the agenda materials. Michael Thomas asked about liability insurance. Hill responded that he has identified a potential provider and will obtain coverage as soon as possible.

Executive Session

Adjourn at 11:45 am MST