



National Council for State Authorization Reciprocity Agreements

A voluntary, regional approach to state oversight of distance education

Minutes of the NC-SARA Board Meeting October 20, 2016 Capital Hilton, Washington D.C.

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:

Chris Bustamante
Kathryn Dodge
Joe Garcia
Dianne Harrison
Larry Isaak
Paul Lingenfelter
Teresa Lubbers
Leah Matthews
M. Peter McPherson
Patricia O'Brien
Pamela Quinn
George Ross
Paul Shiffman
Helena Stangle
Michael Thomas
Leroy Wade*
Belle Wheelan

Council Members Not in Attendance:

Barbara Ballard
Terry Hartle
Arthur Kirk, Jr.
David Spence

**Joined via conference call*

NC-SARA Staff in Attendance:

Alan Contreras*
Nathalie Cuartas
Marshall Hill
Holly Martinez
Jennifer Shanika

Regional Compact SARA Directors
and Staff in Attendance:

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

Guests:

Jim Hall – Founding President, SUNY Empire State College
Dan Silverman – Compliance Coordinator, Virginia Commonwealth University

Welcome and Introductions:

Paul Lingenfelter welcomed Council members and other attendees. After Council members introduced themselves, Marshall Hill introduced Nathalie Cuartas as the new Human Resources Administrator of NC-SARA.

I: Approval of Minutes (Approval of minutes of the May 5, 2016 NC-SARA Board Meeting)

The minutes of the May 5, 2016 Board Meeting were reviewed by the Council. Joe Garcia 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 42 states and the District of Columbia are members of SARA., with an additional two to five states expected to join by the end of the year. There are currently 1,100 participating institutions, with renewal rates above 99 percent.

Larry Isaak, Midwestern Higher Education Compact, asked Jenny Parks, the MHEC-SARA Regional Director, to provide MHEC’s regional update. Parks noted that all MHEC states have joined SARA and that MHEC currently accounts for 41% of all SARA Institutions. She noted the very active involvement of the MHEC regional steering committee. Isaak commented on the valuable lessons learned from the challenges presented by a recent institutional renewal. Hill complemented MHEC and the institution on how both handled the situation.

Michael Thomas, New England Board of Higher Education, reported that three NEBHE states (ME, NH, VT) have joined SARA and applications from three additional states (CT, NJ, NY) are likely to be considered for membership by the end of the calendar year. MA is still discussing membership.

Mary Larson, acting on behalf of David Spence, Southern Regional Education Board, reported that DC, DE have recently become SARA members. Applications from Kentucky and Pennsylvania have been received and will be considered in November. Puerto Rico anticipates affiliating with one of the regions and joining SARA in the near future.

Joe Garcia, Western Interstate Commission for Higher Education, reported that all WICHE members except California and the Northern Mariana Islands have now joined SARA. Initial discussions have been held with CNMI. California’s institutions are fully supportive, but other state priorities are slowing action.

Agenda Item III (ACTION): Ratification of actions taken by the Executive Committee – Paul E. Lingenfelter, Chair

a) Revised FY 2017 Budget (Provided separately at meeting)

Hill discussed the revised budget and his recommendation for an adjustment on staffing levels. The 2017 revised Budget was reviewed and approved by the finance and executive committees.

b) Records Retention and Destruction Policy

Hill stated that this policy was recommended by our accounting firm since it is a federal requirement for 501(c)(3) organizations. Motion to approve the Records Retention and Destruction Policy was made by Pat O'Brien. Paul Shiffman seconded. The Board approved unanimously.

Agenda Item IV (ACTION): FY 2016 audit – Paul Lingenfelter, Chair and Teresa Lubbers, Treasurer

Lingenfelter and Lubbers noted we are in very good financial condition. There is a negative fund balance due to the conflict between the cash-basis influx of institutional fees and the need to defer accounting for some of that revenue throughout the year. Peter McPherson, Association of Public and Land-Grant Universities, requested an expense-to-budget report, which Hill agreed to provide in the future.

Hill reported that in October 2016, all SARA partners received the largest quarterly allocations yet provided. He reported that NC-SARA continues to retire its financial debt to WICHE, anticipating that it will be paid off by summer, 2017. Pat O'Brien requested clarification of the Temporary Restricted Assets, which Hill explained was the grant support received from the Bill & Melinda Gates Foundation, the President's Forum and SREB, provided to cover the SARA State Meeting.

Treasurer Lubbers moved to approve the FY 2016 Audit. Belle Wheelan seconded. The Board approved unanimously.

Agenda Item V (ACTION): Finance Report (provided separately) – Teresa Lubbers

Reviewed and approved by the Finance Committee, no need for a vote.

Agenda Item VI (ACTION): Approval of *SARA Manual*, incorporating several policy modifications

The *Manual* combines the previous *Policies and Standards* and *FAQs*. The bulk of that conceptual and editorial work was done by Alan Contreras. Hill engaged attorneys from Cooley LLP to review the document regarding legal risks to NC-SARA prior to it being considered by the Board.

Peter McPherson moved to approve the *SARA Manual* with the indicated policy modifications. Belle Wheelan seconded. The board approved unanimously allowing for minor editorial corrections.

Agenda Item VII (ACTION): Election of Council Members – Paul Lingenfelter

Lingenfelter stated that SARA is now three years old, and as members' terms conclude we need identify successors who are committed to being engaged and focused on continuing SARA's important role in improving the quality of postsecondary distance education. Six of the eight members whose current terms conclude at the end of this year have agreed to stand for re-election. The two members that will not be continuing are Art Kirk and Terry Hartle. Both asked that their compliments and best wishes be conveyed to the Board. Lingenfelter asked for formal recognition for Kirk's and Hartle's contributions to the establishment and success of SARA.

Lingenfelter asked for a motion to approve second terms for the six current members standing for re-election: Chris Bustamante, Kathryn Dodge, Peter McPherson, Pam Quinn, Helena Stangle, and Leroy Wade. The motion to approve the re-election of these six board members was made by Larry Issak. Paul Lingenfelter seconded. The board approved unanimously.

Agenda Item VIII: Information Items

a) Quarterly Reporting of appealed complaints

Hill reported that complaint reporting is done on a quarterly basis and that very few complaints have been appealed to the SARA states. He stated that no problematic patterns are evident.

b) Enrollment Reporting by Institutions

SARA's first round of enrollment reporting occurred in May, 2016. More than 800 institutions were to report; all but 20 reported.

Unfortunately, more than one-third of reporting institutions reported zero enrollments across all states. To avoid allegations of FERPA complications, institutions were instructed to report "zero" for each state in which they had fewer than ten enrolled students. While that direction accounted for some unknown number of "zero" reports, it is unlikely to account for as many as were reported.

Hill will convene a data committee to recommend modifications to future reporting processes.

c) Progress Report on establishing NC-SARA as an independent entity

Hill reported that NC-SARA has attained federal 501(c)(3) status with the IRS, has filed its federal 990 forms, completed an official accounting audit, almost fully transitioned financial and accounting functions from WICHE, and established independent IT and technical services. About 90% of employee benefits plans are in place. Directors and Officer's Liability Insurance has been

obtained, as well as Worker's Compensation, Business Owner's Insurance, Property Insurance, Short & Long-Term Disability and Life Insurance.

d) Institutional advisory committee

Hill stated he is considering establishing an institutional advisory committee.

e) State of current year work

Hill referred members to the list provided in the Board Book.

f) Next Meeting

Next Meeting will be Thursday May 11, 2017. Location: TBD

Executive Session

Questions, comments, reflections from council members

Adjourn at 2:00