



National Council for State Authorization Reciprocity Agreements

A voluntary, regional approach to state oversight of distance education

Minutes NC-SARA Board Meeting May 5, 2016

Radisson Blu Mall of America, Bloomington, Minnesota

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>

Council Members in attendance:

Dianne Harrison

Terry Hartle

Larry Issak

Michael Thomas

David Longanecker

Teresa Lubbers

Leah Matthews

M. Peter McPherson

Patricia O'Brien

Pamela Quinn

Helena Stangle

Paul Shiffman

David Spence

Leroy Wade

Council Members not in attendance:

Barbara Ballard

Chris Bustamante

Kathryn Dodge*

Art Kirk

George Ross

Belle Wheelan

**participated via conference call*

Council Staff in attendance

Alan Contreras
Marshall A. Hill
Holly Martinez
Jennifer Shanika

**Regional Compact SARA Directors
and Staff in attendance**

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

Guests:

Jennifer Dalhquist, Midwestern Higher Education Compact
Sandra Ecklein, University of Minnesota Twin Cities.
Joe Garcia, incoming WICHE President (to succeed David Longanecker)
Kim Seamon, Minnesota Office of Higher Education
Betsy Talbot, Minnesota Office of Higher Education
Representative of Walden University (name unknown).

Welcome and introductions – Paul E. Lingenfelter, Chair

Paul Lingenfelter welcomed the Council, staff and guests and introduced the new Council member, Leah Matthews, and soon-to-be WICHE president, Joe Garcia.

Agenda Item I (ACTION): Approval of minutes of the December 1, 2015 National Council meeting

The minutes of the December 1st meeting were reviewed by the Council. Terry Hartle moved to approve the minutes; Michael Thomas seconded the motion. The motion passed with all members present voting “yes” with slight correction (correct page 11, paragraph 6 to read “five still outstanding,” as requested by Mary Larson).

Agenda Item II: Update on the progress of the SARA initiative

Marshall A. Hill, NC-SARA, provided a quick overview of the overall status of SARA, which now has 36 member states and 874 participating institutions. There has been great progress and activity in all remaining states, districts, and territories.

Larry Isaak, Midwestern Higher Education Compact, stated that 11 of 12 MHEC states are currently participating in SARA. Isaak noted that there is some lingering skepticism in Wisconsin. A total of 300 MHEC institutions are participating currently.

Michael Thomas, New England Board of Higher Education, stated that four of the six NEBHE states are SARA members. The Connecticut Senate recently passed a measure to allow Connecticut to join SARA. Progress continues with Massachusetts. New York and New Jersey, both states that are not members of a regional compact, are moving toward affiliation with NEBHE and SARA membership, with New Jersey working on a formal application.

David Spence, Southern Regional Education Board, spoke of the important and lasting contributions of David Longanecker. Spence reported that SREB has 19 SARA member states. By June, another four are expected and by October another two. Florida and Puerto Rico are moving slowly. Spence mentioned hearing there is still a lingering concern about the quality of SARA and that it is up to us to find a way to enforce the CRAC guidelines. Marshall Hill discussed his trip with Mary Larson to Florida in response to the critiques made by Bob Shireman. Florida is expected to move forward slowly.

David Longanecker, Western Interstate Commission for Higher Education, reported that of the 16 states and territories in WICHE, 12 are in W-SARA. Hawaii is expected to be added during the upcoming commission meeting. California and Pacific Island territories are still outstanding. California has very strong support from institutions and legislation is being drafted. Some consumer groups are saying the oversight SARA offers is not sufficient. Longanecker stated that online students in California have no protection currently. Dianne Harrison added that in absence of full protections, there is now a full time staff member in her institution in charge of obtaining the state authorization her institution needs, which is a lot of work and waste of time. She reiterated that California needs SARA.

Action Item: Per request by Michael Thomas and with approval from the Council, Marshall Hill is to write up a formal statement acknowledging the contributions of David Longanecker to the SARA initiative.

Agenda Item III: Finance report – Teresa Lubbers, Treasurer

Teresa Lubbers reflected on the strength of the organization of SARA. SARA is now solely dependent on institutional fee revenue and is no longer operating on grant funds. Expenses show a slight escalation on a few line items, due to the expenses of establishing NC-SARA as an independent entity. She stated that there are positive financial projections for next year. She stated that the finance report was reviewed by the Finance Committee before being presented to the Council.

As Treasurer, Lubbers moved to approve and noted the need for a second wasn't required. The Board approved unanimously.

Agenda Item IV: Report on establishing NC-SARA as an independent entity

Hill gave a brief overview of the work that has been taking place in order to establish SARA as an independent entity, including obtaining 501 (c)(3) status, setting up bank accounts, hiring of an accounting firm and contracting with an IT agency. Federal form 990 filing is in process, awaiting one piece of financial data. Once that report is filed, NC-SARA should be able to obtain Directors and Officers insurance. An audit will be conducted this fall by the same firm that performs WICHE's audit. Next year, SARA will find its own auditor. Employee benefits have been more difficult to resolve; however, progress is being made.

Hill addressed the wonderful relationship between WICHE and SARA and thanked David Longanecker for his strong and ever-present support.

Agenda Item V: Proposed FY 2017 Budget – Teresa Lubbers, Treasurer

Lubbers presented a proposed budget for NC-SARA, with revenue estimates based on conservative projections of the number of institutions participating. She noted a change to the policy of how NC-SARA will provide funds to the Regional Compacts, moving from a percentage-of-revenue approach to a fixed-amount approach. In regards to NC-SARA employee benefits, Hill stressed he would like to model the benefits packages offered after the WICHE plan to avoid any reduction in benefits for the staff resulting from NC-SARA's transition to independent status. Additionally, Hill discussed the temporary cash flow issues related to IT and Salesforce development costs. The proposed budget provides for SARA to pay off all debt to WICHE in FY 2017.

Michael Thomas provided his thanks to the Finance Committee and requested a cash flow budget be provided in the future.

The proposed budget has been reviewed by the Finance Committee, which recommends its approval. As Treasurer, Lubbers moved to approve, noted the need for a second wasn't required. The Board approved unanimously.

Agenda Item VI (ACTION): Additions and modifications to NC-SARA *Policies and Standards*

- a. Time limit on institutional use of state approval to participate in SARA. Hill commented that this addition was simply to close a loop hole that was discovered in the application process.

The motion to approve was made by Terry Hartle and seconded by Katherine Dodge. The motion was approved with all present voting "yes".

Agenda Item VII: Information Items

a. Quarterly reporting of appealed complaints

Hill reminded the board that NC-SARA requires each SARA member state to report appealed complaints on a quarterly basis. This year, reporting was delayed for 18 days to the Salesforce rebuild. The numbers of appealed complaints have been very, very low and most have been resolved in favor of the students.

b. Enrollment reporting by institutions

Starting May 9th, SARA institutions will be required to report the number of students enrolled in online education in other states. Staff have devoted a great deal of attention to this and there have been many questions from institutions. Institutions are to provide the same data as reported to IPEDS, only disaggregated by state. The Council members discussed this issue at length. Hill added there is not currently a policy on the consequence for institutions that do not report and NC-SARA will likely want to create one to address this.

Alan Contreras informed the Council that he is nearing completion of the *SARA Manual*, which is intended to combine the existing *Policies and Standards* with the FAQ's in order that all subject matter is consolidated in a single document. Once completed, it will be published on the nc-sara.org website.

c. SARA and education delivered to military facilities

Hill reported that questions have been asked about differences between the *Unified Agreement* and the NC-SARA *Policies and Standards* in regard to education delivered on military bases. In brief, the *Unified Agreement* has broader language about what kind of instruction is permitted under SARA than does the *Policies and Standards*. After discussion with regional SARA Directors, Hill suggested in a memo to the regional steering committees that the broader approach be taken. Members of the steering committees strongly disagreed, with 23 out of the 29 responding members voting "no".

Action Item: Larry Isaak moved that the *Unified Agreement* be amended to add the words "distance education" to make explicit that SARA only covers distance education courses delivered on military bases, not face-to-face instruction. David Longanecker seconded. All approved.

d. Status of current year work

Hill referred Council members to page 42 of the Agenda book.

e. Next meeting – October 19-20, 2016

Executive session

The Council went into executive session to discuss the performance of the Executive Director and matters relating to an individual SARA institution.

Questions, comments, reflections from council members**Adjourn at 2:00**