

**MINUTES OF THE NC-SARA BOARD MEETING
MAY 6, 2020
VIRTUAL MEETING
DENVER, COLORADO**

NOTICE OF MEETING

Notice of the time and place of the NC-SARA Board Meeting was posted on the NC-SARA website and given to the Board members, regional compact SARA staff, and other interested parties.

An agenda is maintained in the NC-SARA office at 3005 Center Green Drive, Suite 130, Boulder, Colorado, 80301 and online at www.nc-sara.org.

Welcome and introduction:

Teresa Lubbers, Chair

Board Members not in attendance:

Barbara Ballard

Board members in attendance:

Rob Anderson
Chris Bustamante
John Cavanaugh
Art Coleman
Kathryn Dodge
Laurie Dodge
Dianne Harrison
Susan Heegaard
Paul Lingenfelter
Teresa Lubbers
Leah Matthews
Demaree Michelau
Stephen Pruitt
Pamela Quinn
Edward Ray
George Ross
Paul Shiffman
Peter Smith
Michael Thomas
Larry Tremblay
Leroy Wade
Belle Wheelan

NC-SARA staff present:

Raymond Audett
Marianne Boeke
Lauren Brunell
Mary Larson
Nick Ortiz
Richard Parker
Lori Williams

Regional compact staff:

Sara Appel, MHEC
Wanda Barker, SREB
Emily Jacobson, MHEC
Elisa Jaden, SREB
Shelley Plutto, WICHE
Christina Sedney, WICHE
Rachael Stachowiak, NEBHE

Guests:

Michael Brainard
Alan Contreras
Mike Goldstein
Jessica Montenegro
Catherine Richard
Alex Sollberger

Meeting was called to order at 9:00 AM (Mountain Standard Time)

Agenda Item I (ACTION): Approval of minutes of the October 29-30, 2019 meeting

Motion to approve – Ed Ray

Seconded – Kathryn Dodge

Approval passed unanimously, with no suggested revisions.

Agenda Item II: Update on NC-SARA Progress

a) Lori Williams, NC-SARA

NC-SARA President and Chief Executive Officer Lori Williams shared about the Strategic Plan and the need for focus on improving communications and a formal training program on NC-SARA requirements for states and institutions. There was also a discussion about the four resulting strategic planning objectives and the completed analysis NC-SARA's gaps in staff and personnel needs. These needs have been filled by hiring new staff members in the IT, a new Finance Director, and an Administrative Assistant. She also shared about NC-SARA's need for two more staff in the coming months to focus on communications and training, and research and data analysis. Lori also shared about improvements made with respect to investment of reserve funds, working to ensure openness and transparency regarding policy review and revision, working collaboratively with compact staff, and working in partnership with consultants and other organizations to promote the work of NC-SARA.

b) Susan Heegaard, President, Midwestern Higher Education Compact (MHEC)

President Susan Heegaard of MHEC expressed gratitude to Lori for improving communication and transparency and partnerships with the four compacts. She noted that MHEC includes eleven states and all members of SARA, with MHEC sharing North Dakota and South Dakota, and with 580 participating institutions in the region. She reported that the MHEC Regional Steering Committee has a gifted new chair, Gretchen Bartelson, who is a gifted new chair and they have also added a vice-chair role to that committee. MHEC will hold their regional steering committee meeting virtually in July. Susan also talked about their revised strategic plan, with a mid-point reflection and shift.

c) Michael Thomas, President, New England Board of Higher Education (NEBHE)

President Michael Thomas of NEBHE shared warm greetings to all in this time of the pandemic, thanking Rachael Stachowiak for her hard work, his fellow compact presidents, and Lori and the NC-SARA staff. He shared that NEBHE has six states and 285 participating institutions, with 21 additional just in March and April, likely owing to the need to move online in the pandemic. He called attention to the great amount of work done by the compacts, the states, and NC-SARA staff that resulted in the policy modifications before the board. He again expressed appreciation to all those working for and with NC-SARA who were making online learning possible in an unprecedented time.

d) Stephen Pruitt, President, Southern Regional Education Board (SREB)

President Stephen Pruitt of SREB thanked Wanda Barker and Elisa Jaden for all of their SARA work on behalf of SREB. He shared that SREB includes 16 states and 951 participating institutions. SREB is experiencing an increase in online learning, SARA questions, and participation in SARA. Stephen described two new task forces with one dedicated to K-12

and the other to postsecondary recovery. He also shared about an issue with a new law in the state of Maryland, created to better provide consumer protection and through the work of SREB and NC-SARA staff, were able to come to a satisfactory conclusion for all.

e) Demarée (Demi) Michelau, President, Western Interstate Commission for Higher Education (WICHE)

President Demarée Michelau thanked the NC-SARA staff for all of their collaborative work and the increased efforts at transparency. She also thanked Christina Sedney and Shelley Plutto. Demi discussed some changes to the WICHE board and the governing practices of their SARA Regional Steering Committee such that it is more democratic and less WICHE staff directed. WICHE includes 13 stated and 253 SARA participating institutions. She explained that Lori and Christina and Shelley are all working with California stakeholders to share the steps the state will need to take to consider NC-SARA membership. She also mentioned that WICHE has been engaged in serious conversations with the Commonwealth of the Northern Marianas Islands about joining SARA.

Chair Lubbers invited questions and discussion about what the Presidents shared and a brief discussion ensued regarding the quick and massive shift to remote instruction in the midst of the pandemic, with stories shared by many board members. The presidents shared that they agreed that while the composite scores are not ideal without a replacement it makes sense to keep this requirement. They also emphasized the need to consider taking the time to partner with those who wish to create a new means to determine financial viability.

Agenda Item III: Report and recommendations of the Executive Committee – Teresa Lubbers, Board Chair

- a) **(ACTION)** Temporary action response to COVID-19 regarding use of Federal Financial Responsibility Composite Scores for participating SARA institutions

After sharing some background on this item, Chair Lubbers invited President Williams to describe more and the results of a survey of the State Portal Entities that review the financial stability of participating institutions. Chair Lubbers also asked for the compact presidents to share about the use of the federal financial composite score. Following some discussion about how to modify the wording on this proposal, Chair Lubbers called for a motion to approve the following statement:

Since the impact of COVID-19 will not show in the scores for two years, and since NC-SARA permits states to provide a degree of flexibility in considering additional financial information in decision making, NC-SARA reaffirms its reliance on the use of the federal financial responsibility scores. In the meanwhile, NC-SARA urges the U.S. Department of Education to act promptly to complete its review of and improve its standards and procedures for assessing financial stability and responsibility and make improvements for both the short and long term.

Motion to approve – Michael Thomas
Seconded – Dianne Harrison
Motion passed unanimously.

- b) **(ACTION)** Approval of Draft Strategic Plan

Chair Lubbers invited President Williams and Michael Brainard to share a presentation of the process and objectives of the new, first ever NC-SARA strategic plan. Four primary objectives, nine associated goals, and twenty-four key performance indicators to measure progress toward achievement of the goals and objectives. Chair Lubbers then turned to the board members of the Strategic Planning Steering Committee to invite them to share about their experiences. They shared about the comprehensiveness of the process, the large amount of data used to ensure strategic focus, and the extent of widespread involvement of stakeholders. Following additional discussion, Chair Lubbers called for a motion to approve the new strategic plan.

Motion to approve – Kathryn Dodge
Seconded – Belle Wheelan

Motion passed unanimously.

c) Update on Succession Planning for Board Members 2021

Chair Lubbers directed the board members to turn to their Board Handbook to refer to a chart showing the board members' terms and then led a discussion about the need for succession planning given that seven founding board members would be cycling off the board at the end of 2021. She then asked President Williams to share about the nomination process. Paul Lingenfelter talked about how it would be helpful for a couple of members to consider leaving the board in 2020 to permit new members to join earlier and provide smoother continuity. The discussion turned to the requests from consumer protection advocates and the offices of attorneys general to have a place on the board. Board members then considered how best these voices could be heard and Chair Lubber expressed gratitude for the good guidance.

Agenda Item IV: Finance Committee Report – Leroy Wade, *Treasurer*

a) **(ACTION)** NC-SARA Financial Reserves Policy

Treasurer Leroy Wade described the work of the Finance Committee to create a new Financial Reserves Policy for NC-SARA, such that one year's operating budget, or 100% be invested in reserve. This meant an increase of 50%, with the current reserves set at 6 months or 50%. He explained that the Committee reviewed the reserves policies of other comparable nonprofit organizations in coming to this recommendation. Treasurer Wade called for a motion to approve the NC-SARA Financial Reserves Policy.

Motion to approve – Leah Matthews
Seconded – Belle Wheelan

A discussion ensued regarding the potential for litigation and the need for appropriate reserves to mitigate against this possibility, with input from NC-SARA's counsel Mike Goldstein.

Motion passed unanimously.

b) **(ACTION)** NC-SARA Financial Investment Policy

Treasurer Leroy Wade described the work of the Finance Committee to create a new Financial Investment Policy for NC-SARA. In a similar manner to the Reserves Policy, he explained that the Committee reviewed the reserves policies of other comparable nonprofit organizations in coming to this recommendation. Treasurer Wade also explained the differences in short- and long-term investment funds and the new use of a financial advisor, Colorado Financial Management to assist investment decisions. Treasurer Wade called for a motion to approve the NC-SARA Financial Investment Policy.

Motion to approve – Leroy Wade
Seconded – John Cavanaugh

Motion passed unanimously.

c) Third-quarter FY 2020 Finance Report

Treasurer Wade directed attention to the Third-quarter finance report and shared that revenues continue to exceed expenses and the organization is financially strong. In response to a question from Belle Whelan about investment losses, Treasurer Wade said there were no losses since the only investments had been in certificates of deposit which generated a small return, but no losses. With the new investment policy, this will change.

d) **(ACTION)** NC-SARA Budget FY 2021

Treasurer Wade shared some key points in the proposed budget. These included that the reserves would be increased to 100% of the operating budget, that the allocations to the four regional compacts would increase by 2.5% (the average of the higher education price index and the consumer price index) as well as increase the compacts' reserves to 100%. Following a discussion about the potential for a decrease in revenue owing to the possibility of a decrease in the number of participating institutions and other aspects of the budget, Chair Lubbers called for a motion to approve.

Motion to approve – Leroy Wade
Seconded – Peter Smith

Motion passed unanimously.

Agenda Item V: Federal Higher Education Landscape Impact on NC-SARA -- Mike Goldstein Senior Counsel, *Coolley LLP*

Chair Lubbers invited Mike Goldstein, NC-SARA's external legal counsel, to share his thoughts on the current higher education landscape and its impact on NC-SARA. His presentation touched on these themes: the impact of the CARES Act, the temporary waiver

of statutory provisions of the Higher Education Act, and the work of the USED's Diane Auer-Jones, payroll protection program loans, and the shrinking of the for-profit sector in the U.S.

Agenda Item VI: Communications Plan – Alexandra Sollberger, *Stones River Group*
Alexandra shared that she worked for a firm called the Stones River Group and would be presenting the NC-SARA communications plan in collaboration with her firm's design partner, Catherine Richards. She tied the need for more proactive communications identified in the strategic planning process to the communication plan's focus on ramping up work with media on stories about NC-SARA. Alex shared about the materials she has created with and for NC-SARA describing its value, projects, and priorities, as well as plans for the coming months with newsletters and social media. Next, Catherine Richards shared the new branding, look and feel and logos for NC-SARA. She also shared a new set of brand guidelines for the compacts and others who use NC-SARA's logos and materials in their work. Alex finished with some comments about the web refresh underway with Mary Larson and Nick Ortiz to highlight new, fresh content and the new branding. Chair Lubbers opened up the floor for comments with included multiple accolades for the new brand's look and the communications plan. The discussion notably resulted in a recommendation to design a newsletter not just for the compacts, but for the compacts and the states.

Agenda Item VII: (ACTION) Modifications to the *SARA Manual*

After explaining that there were eleven proposed modifications for board consideration, discussion, and vote, Chair Lubbers invited President Williams and her team to explain the rationale for the modifications.

Modifications to Align with Federal Regulations

- a) **(ACTION)** Approve Section 2.5 (h.1) adjustment to align with Federal Regulations that were inadvertently left out of the *SARA Manual*

No board discussion followed the explanation for this modification.

- b) **(ACTION)** Approve Section 5.2 regrading programs leading to Professional Licensure correlate to new Federal Regulations

Board members expressed concern about the proposal given that in the alignment with federal regulations, institutions would no longer be expected to share contact information for state licensing boards for programs for which they are not certain if these programs will lead to licensure. It was determined that rather than try to wordsmith the new language in the board meeting, President Williams, Jeannie Yockey-Fine, and Mike Goldstein would work to include this component in with the new federal regulation regarding professional licensure disclosures and bring the language back to the board for an electronic vote.

Modifications to Clarify Processes

- c) **(ACTION)** Approve Section 2.5(c) clarification on the need for all states to have a process to review institutions with a Federal Financial Responsibility Composite Score between 1.0 and 1.5.

No questions or discussion followed the explanation of this proposed modification.

- d) **(ACTION)** Approve Section 2.5(e) clarification of language regarding to which agency or body an institution may appeal a decision regarding participation in SARA

No questions or discussion followed the explanation of this proposed modification.

- e) **(ACTION) Approve Section 2.5(i)(7) clarification of SARA student complaint venue if attending an out-of-state branch campus**

The Compact Presidents, as a group, requested that this modification, along with the other proposed modifications pertaining to branch campuses be tabled to permit time for more discussion with the compacts and states to address concerns. As a result, this modification and modifications e, f, h, and j below were tabled and left out of the package of modifications for vote. Mike Goldstein later said that it was clear that these items are not being voted, down, or up; they're being tabled and simply removed from the agenda and tables for further action.

- f) **(ACTION)** Approve Section 2.5(o) clarification of regulation of online/Distance Education activities by Host State.

See note at e) above.

- g) **(ACTION)** Approve Section 2.5(q) addition of this sentence, "States shall have a process for considering applications for provisional status."

No questions or discussion followed the explanation of this proposed modification.

- h) **(ACTION)** Approve Section 4.4(d) modification of treatment of SARA student complaints from a branch campus.

See note at e) above.

- i) **(ACTION)** Approve Section 5.3 clarification of policy regarding field trips and seasonal residential activity with adjustment of language in Explanatory Note: SARA covers class field trips that do not involve multi-night residency.

No questions or discussion followed the explanation of this proposed modification.

- j) **(ACTION)** Approve Section 5.7(a) to align with SARA policy, add, "and the provisions of section 2.5, subsection n and o."

See note at e) above.

- k) **(ACTION)** Approve Section 6.1(b) and (c) modification to reflect data policy and remove process information.

No questions or discussion followed the explanation of this proposed modification.

- l) **(ACTION)** Approve Section 6.2 modification to reflect data policy and remove process information.

No questions or discussion followed the explanation of this proposed modification.

Chair Lubbers called for a motion to approve modifications a, c, d, g, i, k, and l.

Motion to approve – Michael Thomas
Seconded – Peter Smith

Motion passed unanimously.

Chair Lubbers then called for a motion to approve tabling modifications b, e, f, and j.

Motion to approve – John Cavanaugh
Seconded – Susan Heegaard

Motion passed unanimously.

Agenda Item VIII: Information Items – Lori Williams

- a) Update on response on COVID-19
- b) Enrollment and experiential learning placement report

President Williams asked Marianne Boeke to give an update. Marianne explained that the institutions experiencing issues with data reporting owing to COVID-19 issues would fill out a form seeking permission for an extension and that she did not anticipate a major disruption to the usual data reporting.

- c) Update on Salesforce and other system updates, changes to the website, student and institution support, searchable catalog of academic programs offered by SARA participating institutions, and the "State Authorization Guide."

President Williams asked Mary Larson to give an update. Mary shared about exciting changes to Salesforce including a state portal entity dashboard and the implementation of a new knowledge base. She also shared that with progress on these and other IT projects she will be able to turn again to the student searchable catalog of academic programs project that had been put on hold.

- d) Update on personnel changes and staff activities

Agenda Item IX: Executive Session

Agenda Item X: Questions, comments, reflections from Board Members

Adjourn

Meeting was adjourned following private executive session.