

State Authorization Reciprocity Agreements

A summary of relevant topics for the operation of American University's online programs. Based on the [SARA Manual](#), published/updated on December 2016

Definitions

The following definitions will aid the reader in understanding this summary.

“Host State” means: a member state in which an institution operates under the terms of this agreement, other than the home state.

“Home State” means: a member state where the institution holds its legal domicile and accreditation. To operate under SARA an institution must have a single home state.

“Physical Presence” means: a measure by which a state defines the status of an educational institution's presence within the state. See the special section on physical presence below for the SARA standard.

“Portal Entity” means: the state agency or other state body designated by each SARA member state to serve as the interstate point of contact for SARA questions, complaints and other communications.

“Regional Compact” means: the New England Board of Higher Education, Midwestern Higher Education Compact, Southern Regional Education Board or Western Interstate Commission for Higher Education.

“Supervised field experience” means: a student learning experience comprised primarily of the practical application of previously studied theories and skills, under the oversight of a supervisor, mentor, faculty member or other qualified professional, located in the host state, who has a direct or indirect reporting responsibility to the institution where the student is enrolled whether or not credit is granted. The supervised field experience is part of a program of study offered by the enrolling SARA institution. Examples include practica, student teaching, or internships. Independent off-campus study by individual students not engaged in supervised field experience is exempt from requirements of SARA and does not constitute a physical presence of a postsecondary institution in a SARA member state.

What is the concern with distance/online education?

Consumer Protection is the main concern for the federal government and each state where out-of-state institutions may enroll students from.

State Authorization of Institutions for Out-of-State Activities

“States expect institutions to obtain approval for regulated activities that occur in their state. These activities may include; online learning, practical experiences, faculty teaching from another state, marketing, advertising, and more. The requirements as to which activities require authorization, the application processes, and the costs to comply vary greatly from state-to-state.

In 2010, the U.S. Department of Education issued a regulation tying an institution's ability to offer federal financial aid in a state to the institution being authorized in the student's state. The regulation, 34 CFR 600.9 (c), was subsequently "vacated" by federal court ruling and therefore unenforceable. Regardless of the status of the federal regulation, institutions are legally obligated to comply with the laws and regulations of the states where the institution participates in regulated activities¹

What is SARA?

State Authorization Reciprocity Agreements (SARA) pertains to approval of distance education courses and programs offered across state lines by postsecondary institutions that already have degree authorization in at least one state. SARA centralizes the authorization process for each institution in a single state called the institution's "home state." Colleges or universities in a SARA state therefore only need their home state authorization to offer distance education to students in any other SARA member state, subject to certain limitations. The District of Columbia is the "home state" and it belongs to the [Southern Regional Education Board](#) (SREB) regional compact.

What problem does SARA solve for American University?

SARA simplifies the process by making state authorization:

- more efficient, effective, and uniform in regard to necessary and reasonable standards of practice that could span states;
- more effective in dealing with quality and integrity issues that have arisen in some online/distance education offerings; and
- less costly for states and institutions and, thereby, the students they serve.

American University was granted SARA membership in November, 2016 which authorizes the university to offer distance education programs to almost all states ([view member states](#)). The following states are not part of SARA: California and Massachusetts. American University obtains authorizations/exemptions from these states individually.

SARA Membership Responsibilities

American University must abide by the Unified State Authorization Reciprocity Agreement ([View Agreement](#)). This agreement addresses one of the main concerns that federal and state agencies have regarding distance education, Consumer Protection. For convenience, key aspects of this agreement are included throughout this document.

Summary of responsibilities

- Meet C-RAC norms; "C-RAC" refers to the [Interregional Guidelines for the Evaluation of Distance Education Programs](#) (Online Learning) for best practices in postsecondary distance education developed by leading practitioners of distance education and adopted by the Council of Regional Accrediting Commissions (C-RAC).
- Annual enrollment report submission
- Payment of membership fees

¹ <http://wcet.wiche.edu/focus-areas/policy-and-regulation/state-authorization>

- Resolution student complaints
- Monitoring online programs operations to ensure compliance with SARA Agreement (Consumer Protection issues).

The Role of DC Portal Agency under SARA

The District of Columbia is the “home state” for American University. The designated portal agency is the **DC Higher Education Licensure Commission**.

SARA consumer protection provisions require the home state, through its SARA “portal” entity, to investigate and resolve allegations of dishonest or fraudulent activity by a provider, including the provision of false or misleading information.

The portal entity has the following duties:

1. Serve as the point of contact for all other SARA member states and their agencies for questions about SARA within its state;
2. Serve as initial point of contact for institutions within its state that have questions about SARA;
3. Determine whether an institution in its state is eligible for participation in SARA;
4. Serve as the initial contact point for complaints about any institutions in the state that are operating under SARA and lead any investigations regarding whether an institution is in compliance with SARA rules and policies;
5. Collect and manage any in-state fees assessed on participating institutions for oversight of SARA.

SARA member states continue to have authority to enforce all their general-purpose laws² against non-domestic institutions (including SARA participating institutions) providing distance education in the state, including, but not limited to, those laws related to consumer protection and fraudulent activities.

Examples of Consumer Protection Issues

Examples of issues that may arise in regard to alleged fraudulent activity or more general complaints include, but are not limited to:

- a. Veracity of recruitment and marketing materials;
- b. Accuracy of job placement data;
- c. Accuracy of information about tuition, fees and financial aid;
- d. Complete and accurate admission requirements for courses and programs;
- e. Accuracy of information about the institution’s accreditation and/or any programmatic/specialized accreditation held by the institution’s programs;
- f. Accuracy of information about whether course work meets any relevant professional licensing requirements or the requirements of specialized accrediting bodies;
- g. Accuracy of information about whether the institution’s course work will transfer to other institutions; and

² A “general-purpose law” is one that applies to all entities doing business in the state, not just institutions of higher education.

h. Operation of distance education programs consistent with practices expected by institutional accreditors (and, if applicable, programmatic/specialized accreditors) and/or the [C-RAC Guidelines](#) for distance education.

Responsibilities for resolving complaints.

Initial responsibility for the investigation and resolution of complaints resides with the institution against which the complaint is made. Further consideration and resolution, if necessary, is the responsibility of the SARA portal entity, and other responsible agencies of the institution's home state (see the following section: Complaint Resolution Processes).

The portal entity is responsible for staffing the investigation and resolution of complaints that are not resolved at the institutional level.

Institutions operating under SARA shall provide their and SARA's complaint resolution policies and procedures to all students taking courses under SARA provisions.

How does SARA cover American University's Online Programs?

SARA applies solely to distance education activity conducted across state lines. It does not apply to distance education activity inside a state or to on-ground campuses. For purposes of SARA, "distance education" includes a limited number of group activities conducted for short periods on the ground.

Programs leading to Professional Licensure

SARA has no effect on state professional licensing requirements. Any institution operating under SARA that offers courses or programs potentially leading to professional licensure must keep all students, applicants and potential students who have contacted the institution about the course or program informed as to whether such offerings actually meet state licensing requirements.

Short courses and seminars

Physical presence under SARA is not triggered if the instruction provided for a short course or seminar takes no more than 20 classroom hours in one six-month period. Class meetings during a full-term course do not trigger physical presence if the instructor and students physically meet together for no more than two meetings, totaling less than six hours. Apparent abuses of these provisions may be brought to the attention of the home state.

American University and Physical Presence in States

All of American University's online programs do not have physical presence in any state. Under the SARA agreement the following activities are allowed under our membership.

An institution that does not have physical presence, and is therefore covered by SARA in SARA member states, if it is only:

1. Offering courses to individuals via distance education in ways that do not require students to gather physically in groups, excepting the special provisions in Section 5 of the [Manual](#);
2. Advertising to students whether through print, billboard, direct mail, internet, radio, television or other medium;
3. Offering distance education courses on a military base or vessel if enrollment in such courses is limited to active and reserve military personnel, their dependents, and civilian employees of the installation;

4. Maintaining a server, router or similar electronic service device housed in a facility that otherwise would not constitute physical presence (the presence of a server or similar pass-through switching device does not by itself constitute the offering of a course or program in that state);
5. Having faculty, adjunct faculty, mentors, tutors, recruiters or other academic personnel residing in a member state and working from their homes or another private, non-institutional site, provided that such staff is not engaged in activities that would otherwise constitute physical presence as defined by these Policies and Standards;
6. Holding proctored exams on behalf of the institution in the host state;
7. Having contractual arrangements in the home or host state, e.g. procurement contracts or course offerings through consortium agreements;
8. Operating limited supervised field experiences (See subsection 5.13 in the [Manual](#));
9. Using recruiters in a SARA member state. This provision is not restricted to recruiting for courses or programs offered under SARA, and does include athletic recruiting.
10. Engaging in field trips to visit existing sites or facilities for academic purposes not involving the establishment of residential or instructional facilities.

Supervised Field Experiences

- a. If the host state requires approval of supervised field experiences by agencies or boards responsible for professional requirements in fields requiring licensure or certification for practice, such professional approval requirements remain in effect.
- b. Supervised field experiences, except for requirements of professional licensing entities as noted in "a" above, and subject to the following limitations, do not establish a physical presence under SARA and are therefore covered by the provisions of SARA governing interstate distance education activity, whether the field experience is part of a distance-education or campus-based program.
- c. Existing contracts among provider institutions and sites used for supervised field experiences as of the date that an institution begins participating in SARA are not impaired, revised or otherwise affected by SARA. At the time that any provision of such a contract is changed, the new contract must comply with SARA policies and standards set forth herein.
- d. A contract for supervised field experiences to be covered by SARA is limited as follows. Such a contract:
 1. Cannot provide for the placement of more than **ten students** from an individual academic program placed simultaneously at one clinical or practicum site, unless approval for a larger number is provided by the host state SARA portal entity.
 2. May be objected to by the host state portal entity on grounds that the institution has:
 - i. a demonstrable failure to achieve an acceptable professional licensing rate in the host state if the program customarily leads to licensure, provided that the acceptable rate is not higher than the lower of (a) the lowest rate of a host state-based institution in good standing or (b) the average state licensure rate, or
 - ii. an unreasonable number of valid, documented complaints about program operation or quality which have not been adequately resolved by the institution.
 3. If a host state objects to a supervised field experience or clinical placement under SARA on the grounds set forth in subsection (2) above, the affected regional

compact(s) shall determine whether the placement is allowable under SARA, using procedures to be developed for that purpose.

i. Any student enrolled in an academic program prior to the time the institution begins operations under SARA may remain in any supervised field experience site to which the student is assigned, irrespective of SARA policies.

ii. An institution operating under SARA that owns a supervised field experience, clinical or practicum site is not subject to the limitations of subsection (d) on placement of its own students at such a site.

iii. SARA policies and standards regarding supervised field experiences do not supersede, replace or modify any federal law that would affect students placed under SARA. SARA policies are subsidiary to any such federal laws covering the same subjects

Student mobility

Location of student

1. Educational activity under SARA is deemed to occur where the student is physically located at the time the student is in contact with the educational provider or a contractor acting on behalf of the provider.
2. The student's legal state of residence is not a factor in determining physical location for purposes of SARA.
3. The fact that the student moved involuntarily (for example owing to service in the military or incarceration) is irrelevant to a determination of location for purposes of subsection (1) above.