



Tab 14

State Authorization Reciprocity Agreement Fee Increase

Coordinating Board for Higher Education
June 14, 2023

BACKGROUND

The State Authorization Reciprocity Agreement (SARA) is an agreement between member states, districts, and territories that establishes comparable national standards for interstate postsecondary education. Member states may authorize postsecondary institutions to participate in SARA, which relieves institutions of the burden to seek separate authorization in each state from which a student enrolls.

Section 173.030(6), RSMo, authorizes the Coordinating Board for Higher Education (CBHE) to enter into interstate reciprocity agreements and to charge fees necessary to meet the cost of reviewing and evaluating applications. Per 6 CSR 10-12.010, the Coordinating Board approves the annual fee sufficient to cover the administrative costs for oversight of SARA.

Missouri became a member of SARA in 2014 and began reviewing applications from Missouri institutions in 2015. The department established fees of \$500 for the initial application review and \$500 for the annual renewal. Duties were shared between members of the Academic Affairs unit and the Proprietary School Certification team based on the institution's sector.

Due to staff reductions, retirements, and reallocating responsibilities, SARA reviews and approvals are now the responsibility of 0.5 FTE. Significantly, since 2014 the number of Missouri institutions participating in SARA increased to a current total of 75 institutions. Additionally, the US Department of Education enacted regulations regarding state authorization that may impact distance education providers. Finally, updates were made to the SARA Policy Manual, the document containing the procedures, policy details, and guidance required for the operation of SARA.

CURRENT STATUS

The total annual fees collected from Missouri institutions seeking initial or renewal participation in SARA are \$37,500, which does not fund all the duties associated with SARA oversight. It is unlikely there will be a significant number of new institutions applying to participate, so these revenues will not change without a fee increase. The department seeks approval to increase the initial and renewal fees from \$500 to \$1,500. Based on department estimates, the fee increase is expected to support one full FTE.

The fee increase is necessary in order to provide an additional staff member within the Proprietary unit to assist with SARA duties. These duties include, but are not limited to: contacting institutions offering professional licensure programs each semester to verify compliance with federal regulations and the SARA Policy Manual; contacting institutions to verify compliance with accepted guidelines regarding online/distance education; identifying and maintaining a list of third-party providers used by institutions to engage in operations under the provisions of SARA; identifying and maintaining information related to policies and practices of institutions for addressing catastrophic events; and verifying data submitted by institutions regarding finances, accreditation, and out-of-state learning placements.

The department met with the Council of Chief Academic Officers in January 2023 to advise it of the intent to seek a fee increase. The department also contacted all SARA-participating institutions in April 2023 with this information and requested institutions' feedback. As of May 2023, the department received two responses, both indicating the fee increase seemed reasonable for the duties required.

NEXT STEPS

If approved, the department will inform SARA-participating institutions that the fee increase will become effective in October 2023. The delay in enacting the increase is needed to complete the review of those institutions currently within the renewal window. The department will also develop a position description and job posting for a new FTE to support SARA reviews and evaluations with a target start date of September 2023.

RECOMMENDATION

Staff recommend approval of a change in the initial application fee and annual renewal fee for SARA participation from \$500 to \$1,500 with an effective date of October 1, 2023.

ATTACHMENTS

- None